What's Ahead for Paper Stocks? (Pages 13-21)

$46,000,000 to Mining Investors (Page 22)

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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ENLARGED MINING SECTION A WEEKLY FEATURE PAGES 22-24

The Nation's Business

- **General Election Not Needed This Year**
- **The Outlook for Low Tariffs and Reciprocity**
- **Abandoning the Border Cities Radial Line**
- **Unfair Income Tax Law Should Go**
- **Subsidized Building Schemes Dangerous**

No Need for General Election

A NOT unexpected outcome of the federal by-elections in Ontario this week is the demand on the part of Liberal chieftains for an immediate appeal to the country. The fact that successive provincial governments, and now two seats formerly Conservative, have swung to the Liberal cause is being interpreted by this party as an indication that the Government has lost the confidence of the people and that a general election should be held before another session of parliament.

True, the results of these and previous by-elections indicate public dissatisfaction with the work of Prime Minister Bennett, but Conservative leaders are on sound ground in refusing to be stampeded by election talk. There is no need or reason for an election until 1935. Such an event would be unnecessarily disturbing to business at a time when confidence is slowly seeping back into trade and commerce in this country. There is also the practical view that a federal election before next spring at the earliest is probably a physical impossibility due to the revision of the Election Act authorized at the last session of parliament and now being put into effect.

* * *

Tariff Walls May Fall in 1935

EVEN though no election is called for at the present time, the by-elections cannot help but turn the minds of business men toward the political upheaval which is likely to occur within the next twelve months and which in all probability will bring with it a revision of trade and tariff policy for this country. Point is given to this view by the news story reprinted elsewhere in this paper which indicates in some measure the way which Liberal straws will blow in the event of that party being returned to power in 1935.

Certainly if the trade policies now being strongly voiced in the United States by Secretary of State Cordell Hull gain general acceptance, the added circumstance of a Liberal administration at Ottawa might mean a rapid revival of interest in reciprocity between the two nations. Interest in this subject has flagged considerably of late due in part at least to Washington's interpretation of the Bennett Government tariff policy. Much may happen, of course, in the interim to change the situation entirely. In the meantime a certain amount of speculation, pro and con, is by no means idle as far as important interests on both sides of the line are concerned.

* * *

Why Not Abandon Losing Radial?

OPERATION of the Sandwich, Windsor & Amherstburg Railway in the Ontario border cities area nearly ceased at midnight last Saturday. T. Stewart Lyon, chairman of the Ontario Hydro-Electric Power Commission, gave orders to cease operations and to give all employees one week's notice. By Monday, however, Mr. Lyon had to retract, and the news went abroad that the electric railway would continue to serve the Windsor area, but under municipal, rather than Hydro, management.

When first announced, it appeared that the effort to close the road down was another of the moves of the Hepburn Government toward economy. The radial line has been a consistent loser in which well over $6,000,000 of the money of provincial and municipal taxpayers has been sunk. But it is understood that pressure was brought on Mr. Lyon to forbear. Hon. David Croll, mayor of Windsor and Minister of Public Welfare and of Municipal Affairs for Ontario, was apparently one of those who urged continuation of operation of the unprofitable road.

* * *

THIS is another brief but lively chapter in the gloomy history of radial railways in Ontario. The road should never have been bought by the border municipalities in 1920. The Financial Post pointed out in that year that the opinion of experts was against investment in elec-

(Continued on page 2, col. 3)

PAGE HERSEY EARNS DIVIDEND SO FAR IN 1934

Continuous Improvement Shown in Difficult Three Years

EXPORTS GOOD

Seamless Tube Business is Gradually Picking Up—May Mean Much in Future

Page Hersey Tubes, Ltd., in the first nine months of 1934 has more than earned its dividend at the rate of $3 a share per annum. Business reached a peak in July and has slightly slackened since then in line with the general experience. Nevertheless earnings are already well ahead of the total earnings of $1.82 a share made in 1933 and of $1.23 a share made in 1932.

Not only have domestic sales been greater but the total foreign business has been exceptionally good by all depression standards. Demand from Australia and New Zealand was very encouraging; the usual business was received from the British Isles; and the total of sales to all parts of the world was in the aggregate satisfactory.

Compared with the banner years from 1927 to 1931 inclusive the results for 1934 are anything but striking, but when seen against a background made up of the utter collapse for a time of the construction industry, and its still feeble efforts to convalesce, the change has been heartening.

Study In Earnings

The following table shows earnings of three boom years and three depression years with 1934 estimated at less than is expected:

Year	Plant & Equip. $	Work. Cap. $	Net Profit $	Earned Per Sh. $
Three Boom Years				
1927 ..	2,361,392	4,107,359	1,021,601	5.97
1929 ..	2,826,639	5,732,819	1,970,139	11.28
1931 ..	4,328,598	5,685,749	1,013,739	5.81
Three Slack Years				
1932 ..	4,415,339	5,339,852	216,263	1.23
1933 ..	4,469,423	5,305,658	317,737	1.82
1934 (est.)	do.	(Plus)	522,828	3.00

Note: Earnings per share are for combined preferred and common shares as in the period most of the preferred shares were changed into common stock. The 1934 estimate might be changed by the last quarter's experience but it is now regarded as likely that this estimate will be exceeded.

Can Do Bigger Business

Though the company had doubled the investment in plant and equipment from 1927 to 1932 net profits had dropped to one-fifth of the 1927 amount and one-ninth of the earnings in 1929, the company's record to date. It entered the depression equipped for at least 30 per cent more business than it had done in its record year; like the dead atheist in the ancient story it was "all dressed up and nowhere to go." Now, as the world emerges from the depression, that extra plant and equipment and its strong working capital are drawing interested eyes. If recovery continues, if an active construction period supervenes, this plant and equipment will be "all dressed up with somewhere to go." At least certain investors think so, and it is only the uncertainty as to when such an active period will come that halts much more trading in the stock.

Recovery may be a long, slow process but certain books, now being published by students of money and finance, prophesy lively and buoyant times as likely soon to come. There are prophets of gloom as well and the stock market weather may therefore be either storm or sunshine with the hopes growing sturdier for sunshine.

Seamless Tube Prospects

The new seamless tube plant erected at Welland by the company has proved a good investment. Most of its Canadian operations are concentrated there with 500 men employed under present conditions.

When a new period of activity comes the company will be able to meet a quickened demand for seamless boiler tubes. It could not have touched an order for such tubes in the days of its highest earnings. Now the greater percentage of boiler tubes made are of seamless steel

(Continued on page 2, col. 1)

Week's Figures Feature Gains Over Last Year

Only bank debits continue to show smaller totals than corresponding months of last year, probably on account of the small volume of stock market transactions. Other indices of industrial activity released during the past week show good gains over August a year ago though some totals are seasonally lower than those for July.

		— Change — From prev. period %	From prev. year %
Monthly:	Sept. '34		
Sugar mfg.* lbs.	88,679,472	—6.7	+46.9
	Aug. '34		
Bank debits $	2,533,000,000	—8.5	—4.3
New auto sales No.	5,192	—20.6	+32.9
Elec. output kw.h.	1,658,742,000	+2.3	+10.0
Auto. output No.	9,904	—10.9	+63.0
Iron output tons	41,485	+13.0	+18.0
Steel output tons	63,504	—5.0	+30.0
Weekly:†			
Car loadings No.	53,564	+12.4	+11.8
Cattle sales No.	15,241	—13.9	+1.6
Hog sales No.	16,244	+20.9	+13.8

*Four weeks ended Sept. 8.

†Weeks ended Sept. 15, 20 and [illegible], respectively.

By-Election Trend Portends Upheaval In 1935 Tariffs

From Our Own Correspondent

OTTAWA. — The results in the five by-elections held last Monday are accepted at Ottawa as important evidence that a change in government is coming within the next 12 months. The tendency now is to look ahead and endeavor to foresee the modifications in present national policies that would take place if this occurs.

Among the first of these, it is conceded, will be a drastic lowering of customs tariffs, together with a substantial increase in the British preference. If the present Ottawa treaties stand in the way of such a revision it is the firm intention of the Liberal party to denounce them at the earliest possible moment. In doing so it is believed that much of the present antagonism toward Canadian products—such as bacon—in the British market will be removed. Since imports from the United Kingdom will be greatly facilitated no unfavorable action is looked for from that quarter.

Trade With U.S.

Of secondary importance, but nevertheless of paramount interest to Canadian manufacturers and primary producers, is the development of trade with the United States. The Liberal party unquestionably will seek a reciprocity pact at Washington. The Roosevelt administration is now negotiating trade pacts with various countries but so far little if any progress has been made with this Dominion.

It has been common knowledge for some months that Canada can obtain substantial concessions in the United States market for cattle, dairy produce, poultry and other farm produce (excepting wheat) provided Ottawa is ready to open the Canadian market to the products of certain American industries.

Auto Tariff as Lever

It is believed, for example, that if the Canadian Government would take down the duties on automobiles and related iron and steel lines, Washington would gladly consider the proposal. Throughout the past four years the Liberal party has kept in close touch with officials at Washington and the leaders of the present opposition are, therefore, in a position to know what can be done.

Since the present government took office, changes in the automobile tariff have been confined to vehicles costing more than $1,200 but there have also been many changes in the rates charged on parts and the amounts of drawback allowed manufacturers. The automobile rates when the Bennett Government took office and at present are:

Automobiles:	Present rates	Rates in 1929
Valued at $1,200	20%	20%
$1,200 to $2,100	30%	27½%
All others, n.o.p.	40%	

U. S. Opinion Changing

Added significance to the probability of a revision of tariff schedules as between Canada and United States in 1935 is given by the important statement issued recently by Secretary of State Cordell Hull at Washington, in which he declared emphatically that the United States must take the leadership not only in negotiating bilateral treaties but in a general lowering of the tariff wall in the leading trading nations of the world. Editorial comment in leading United States papers indicates that Mr. Hull's views are gaining considerable ground not only among the Roosevelt cabinet but throughout important areas of the union.

In a contributed article to the current issue of Fortune, Mr. Hull made the following statements:

"It is almost impossible to overemphasize the seriousness of the present crisis. Europe as a whole is facing fundamentally worse economic conditions than the U. S. Behind their tariff walls European nations are watching the drying up of their foreign trade. Not all the oratory of their statesmen can start the flow again. Despite the most strenuous efforts to prevent it, the export trade of Italy is steadily and substantially diminishing. The same is true of the export trade of France, of Czechoslovakia, of Germany, and of many another. Great Britain, even by every artificial domestic de-

(Continued on page 2, col. 1)

Securities Commissioner Slated for Retirement

New Ontario Government Regards Colonel George A. Drew as "Political Appointment" and Out of Sympathy With General Aims

Lieutenant-Colonel George A. Drew, Ontario's security commissioner, is marked for retirement by the new Hepburn administration in Ontario. Some differences of opinion as to methods of administering this office and even ministerial doubt as to the need of having a separate commission for this work have developed and almost immediately it is expected that word of Col. Drew's resignation will be announced.

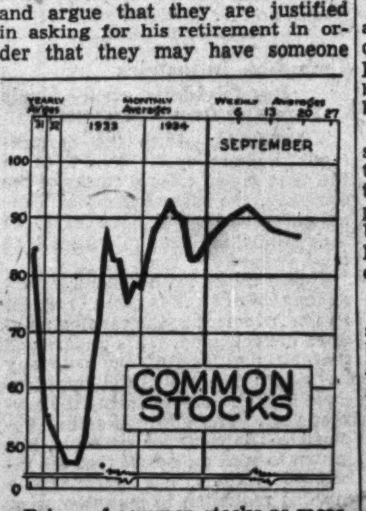
Colonel Drew during his period as commissioner has been very active in securing changes in the Ontario Companies Act and later in his insistence that there must be coordination of companies acts and administration by Dominion and provinces to be wholly effective. Just how effective this work has been in eliminating the high pressure stock salesman, who takes advantage of conflict of jurisdictions between various provinces and Dominion, it has been difficult to say because most of that work has been done without publicity. The laws requiring licensing of brokers and of salesmen have undoubtedly been of great benefit; but much more apparently has to be done because the work of relieving the unsuspecting investor of his money still goes on. Stopped one place, the "confidence" locusts continue to drop down on other green fields.

May Change Policy Somewhat

It may be that, relieved of official responsibilities, Colonel Drew's services out of office in enlightening the public as to needs will be very valuable. He is a fluent speaker, a very able writer and he will have gained in his present office an exceptional background for understanding the situation. The Financial Post believes that the chief reason for his going will be that members of the present government think of Colonel Drew as "a political appointment" of the former government and argue that they are justified in asking for his retirement in order that they may have someone more in sympathy with their general aims.

Whether or not, as some say, the ending of Colonel Drew's connection with the position of Securities Commissioner means the ultimate disappearance of the office, it is apparent that regulation of activities of security issue, distribution and sale has become of outstanding importance. During Colonel Drew's regime the Toronto Stock Exchange and The Standard Stock & Mining Exchange were merged, and the terms of merger were arrived at with the Securities Commissioner an invariable attendant at all meetings. It is understood that matters of importance connected with stock exchange policy are always brought to his attention and thus there has been sifting in with Stock Exchange governors in the last year a representative of the public interest.

It may not matter whether the duties are carried on by one called commissioner or by an official of the attorney-general's department but there is no doubt that such regulation as is advisable should be effective. Then the sale of unlisted securities outside of the Exchange requires constant supervision to prevent the activities of the occasional unscrupulous man. It is the intention at Queen's Park to review the whole question from the ground up, and it may be that later there will be some important divergencies in policy from that followed in the first half of 1934.



Prices of common stocks as measured by the Dominion Bureau of Statistics receded in the week to Sept. 20. Indices are shown on page 5.

Small Investor To Get Shares Bank of Canada

From Our Own Correspondent

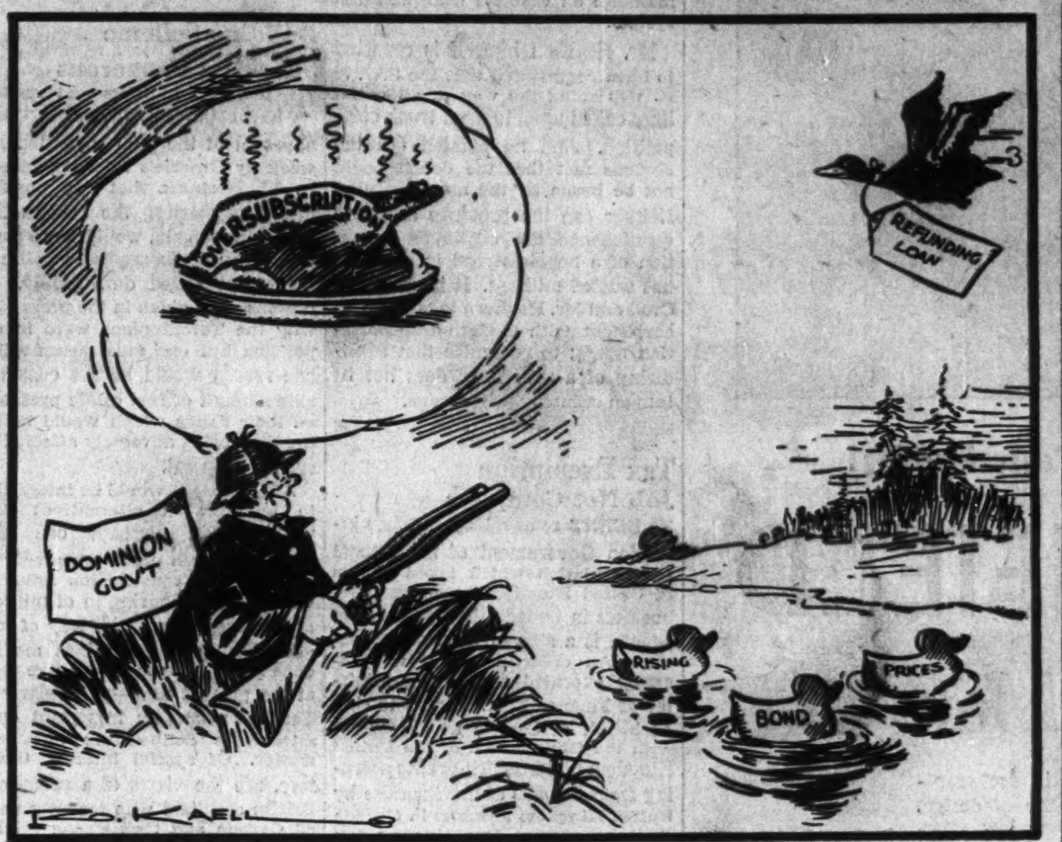
OTTAWA.—"The little man in the sticks will not be forgotten."

This was the way the competent authorities at Ottawa answered questions as to how the shares in the Bank of Canada—whose capital has been largely over-subscribed—would be allocated.

It is the intention to get as wide a spread of the stock as the applications permit and to make certain that there are stockholders in every province and district in the country. Under these circumstances it is unlikely that applicants will be allocated more than a few shares each.

Applications for over 230,000 shares of Bank of Canada stock have been received by the Department of Finance, Ottawa. Since only 100,000 shares will be issued, it is apparent that allotments will allow only partial filling of larger applications.

Subscribers for smaller amounts, however apparently stand a good chance of getting most of their subscriptions. While the offering is considered highly successful, New Zealand did better, that Dominion's central bank shares having been oversubscribed four times.



—Drawn for The Financial Post by R. Kaell.

HERE'S HOPING HE'S A GOOD SHOT

ABANDONMENT S.W. & A. LINE FORESTALLED

Bonds Guaranteed; Ill Fate of Radials Foretold in 1920

CREDITORS' VIEWS

Investors in bonds of the Sandwich, Windsor & Amherstburg Railway have no cause to be worried by the recent effort of the Ontario Hydro to stop operation of the line. The bonds of the road are guaranteed by the province of Ontario.

The Hydro's move to abandon the road was forestalled and the road is to be operated by the bankrupt municipalities in the border cities area around Windsor. The ill success of the road since its acquisition by the municipalities in 1920 is one of the many evidences of the truth of predictions made over 14 years ago in a feature article in The Financial Post by Lt. Col. J. B. Maclean.

Would Scrap Line

Creditors of the bankrupt border cities municipalities and close observers of the situation consider the road a hopeless loser and feel that it should be abandoned. It is pointed out that inter-urban electric railways have been consistent losers for years, and that the more efficient and more flexible motor buses have been displacing radials.

Forbearance from scrapping the S.W. & A. line means that the bankrupt towns and cities of the Windsor area will be called on to meet the persistent deficits of the radial which has already absorbed millions from the provincial treasury. Ontario's Premier Hepburn has stated that the municipalities cannot bear the burden of the deficits. Creditors agree emphatically.

Prediction in 1920

The bleak future for city and suburban electric railways was predicted in The Financial Post for July 16, 1920. At that time there was a movement for municipalization of radial railways in Ontario, and the S.W. & A. line was one of those acquired by municipalities. It was purchased from the Detroit United Railway for $2,039,000 in January, 1920, a time when shrewd investors were getting out of such enterprises.

A summary of the opinions gathered by Col. Maclean in 1920 and published in The Financial Post at that time reveals a remarkable knowledge and foresight on the part of his consultants. They agreed that the day of the radial railway was done.

What Experts Said

Here is what these authorities said in 1920:

An investor who had just lost $3,000,000 in an electric road—We have come to the conclusion that it is better to accept present losses than to add to them. There is no money nowadays in city or suburban electric railways.

Another millionaire investor—I took a hint from a London capitalist who told me: "You Yankees are behind the times. Motor buses are a better system and a sounder investment than electric roads."

A railroad engineer—The day of electric roads has passed. You have only to accept the evidence of your eyes for the excellent motor transport on highways running beside railways.

A New York state bank president—I have no faith in the future of radial railways. I think their day is past.

A railroad director — We were never carried away with the fear of electric railway competition.

Cannot Compete

A corporation executive—It would be unwise to put money into electric railways. They cannot compete with steam railways or the flexible motor transports.

A lender to transport firms—We are not putting money into loans to city and suburban electric roads and have not for many year. We would not consider them.

SALMON PRICE AND MARKETS STILL OBSCURE

Expect Higher Domestic Sales for B. C. Packers

BUT EXPORTS COUNT

From Our Own Correspondent

VANCOUVER. — Salmon packers in British Columbia are speculating on the effect of outside competition in world markets. While the size of the pack will compare favorably with that of other recent years, there is still considerable uncertainty as to the extent of sales and the price likely to be paid. Better domestic sales for B.C. Packers are expected but the company depends on the larger export market for earnings.

United States canneries have been active this season in Puget Sound and Alaska and, owing to the great volume of their output, are usually able to undersell British Columbia salmon. However, packers in B.C. are depending on the British market and preferential tariffs to assist them in overcoming other market obstacles. Another point in favor of the B.C. packers is that the quality of their pack has been maintained at a high standard and this has been sufficient to earn a premium in some markets.

Sockeye Pack Greater

The total pack of salmon at present amounts to 1,059,000 cases, as compared with 950,000 cases for the corresponding period last year. Some advantage is seen in the fact that the sockeye pack, which is most easily saleable, is considerably larger than in recent years. So far the sockeye total is more than 340,000 cases as compared with about 250,000 cases in 1933, for the same period. This season's catch of sockeye has been easily the best since the recent banner year of 1930. Particularly gratifying has been the strong run of salmon in the Fraser River fisheries, which has resulted in a bigger pack in that area even than in 1930.

Prices paid to fishermen have been about the same as last year in most areas, except for minor increases in a few instances.

Oriental Competition

Competition of Japanese and Russian packers is still an uncertain factor, as it nearly always is. There is no doubt that Japanese salmon will win a big place for itself in several territories that previously were regarded as almost exclusively the property of Canadian and American packers. In such markets price is the controlling element, and Japanese packers are able to slash prices to an extent that could not be duplicated on this coast.

Ontario Leads Gains In Business Activity

Although only the Maritimes and British Columbia, among economic areas, gained in business activity in August over the previous month, all areas with the exception of the Prairies have shown a considerable advance from August a year ago, The Financial Post business indices reveal.

Ontario has shown the greatest gain with a jump of over 14 per cent closely followed by Quebec and British Columbia. Indices of the five areas compared with last year are:

The Financial Post Regional Indices (1926 — 100)

	Aug., 1934	July, 1934	Aug., 1933
Maritimes	111.4	111.1	103.6
Quebec	116.8	119.6	108.9
Ontario	99.5	100.4	86.9
Prairies	112.3	113.2	120.9
British Columbia	100.7	99.7	89.3

Highlights of the week

Pulp and Paper

Survey of Canada's enormous paper industry reveals price as the chief drawback to a healthier situation. Special section. Pages 13 to 22.

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Southern pine pros and cons ... 13
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'Ware Wildcats

Sturgeon River's gold rush rivals the Yukon trail of '98. Investors and developers warned against wildcat schemes baneful to the new area. Page 24

Houdini Needed

Canada needs a legislative Houdini to get her out of the constitutional strait-jacket of the B.N.A. Act. Inadequacy of enabling legislation as a substitute for efficient government a consideration for the coming premiers' conference. Page 3

August Trends

On the Atlantic and Pacific coasts Canadian business gained in August, But inland it hesitated. Illustrated analysis of August experience by economic areas. Page 7

Mining Pays

Shareholders are getting $46,000,000 in cash dividends from Canadian mines this year. The story of a 50 per cent increase in payments. Page 22

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WILL OFFER 4 MATURITIES IN NEW LOAN

Two, Five, Eight and 15-year Bonds to be Marketed

COMING OCT. 1

Coupon Rates from 2 to 3½ Per Cent Lowest on Record for Domestic Financing

The Dominion Government will announce the offering for public subscription on Monday, Oct. 1 of the 1934 refunding loan for $250,000,000, to $275,000,000, which will have four maturities each carrying a different coupon rate of interest, it is understood.

Bond dealers were approaching investors for orders for the loan early this week, prior to official announcement of the flotation.

The loan, it is understood, will give investors the option of purchasing bonds as follows:

Two-year, two per cent bonds, yielding about 2.50 per cent, indicating a price of about 99.

Five-year, 2½ per cent bonds, yielding about 2.90 per cent, indicating a price of about 98.

Eight-year, three per cent bonds, yielding about 3.45 per cent, indicating a price of about 97.

Fifteen-year, 3½ per cent bonds, yielding about 3.80 per cent, indicating a price of about 97.

Premium of Interest

A premium of one month's interest will be offered to holders of the 5½ per cent Victory bonds, which mature Nov. 1, for conversion of their holdings. The new bonds to be offered will date from Oct. 1, and those who refund their bonds will be allowed to cash the Nov. 1 coupon on their maturing 5½'s at the full rate on Nov. 1. Otherwise there will be no premium for conversion, it is understood.

All four new maturities will be offered at a discount from face value, whereas holders will be allowed to convert their maturing bonds at full value. This will necessitate settlements for balances resulting from exchanges of bonds.

Low Coupon Rates

The coupon rates are to be the lowest ever offered by the Dominion for a domestic loan. On the basis of present bond prices, however, the yields are considered attractive, and a favorable reception for the loan is anticipated. Demand for short term bonds from banks and other institutional investors is expected to be heavy so that early conversions should be large.

There is believed to be a larger proportion of the maturing 1934 loan in the hands of smaller investors, however, than there was for the 1933 loan converted last year. Bond dealers state that the individual investor is not yet accustomed to accepting rates as low as three per cent. It is pointed out, however, that holders of the maturing issue either have to accept the new offering or purchase some secondary investment. It is felt that the security offered by the Dominion issue will weigh more heavily with investors than will the low interest rates. It is considered feasible to float the loan at the low rates of interest because of the favorable market that has been built up for gilt-edged bonds. Prices are now at the highest levels since pre-war times.

Large Maturity

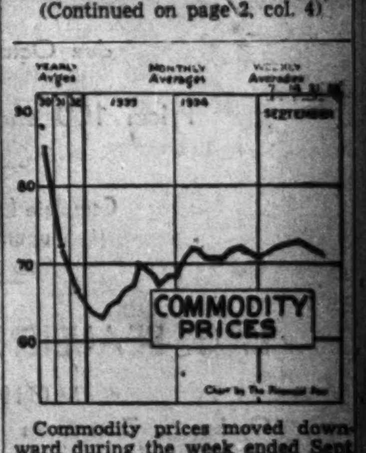
The fact that $222,216,850 of the loan will be for refunding purposes to take care of the Nov. 1 maturity is taken as an indication favorable to the flotation. It means that the amount of new money to be raised is comparatively small. Holders of the maturing bonds must invest the proceeds in some security or other. Thus, the net effect of the maturity is to create a market for bonds of some sort. And the major part of the money is expected to be refunded in the new loan.

The four maturities have been arranged so as to fall in years in which the volume of Dominion loans due is small. The Government has only small loans maturing in 1936 and 1939 and has none at all in 1942 and 1949. The refunding programme, therefore, will assist the Dominion by spreading its obligations, and at the same time will give investors a broader choice than is usual.

Release Publicity

Preliminary publicity in the form of advertisements over the signature of Rt. Hon R. B. Bennett is being re-

(Continued on page 2, col. 4)



Commodity prices moved downward during the week ended Sept. 21, the index of the Dominion Bureau of Statistics for the week being 72.0 as compared with 72.3 in the previous week.

BRITISH as a Foggy Morning!

MANFIELD

Shoes for Men

For men who seek quality in footwear—quality of workmanship, quality of design, quality of leathers—rather than low price, this famous English make presents a sound choice. Manufactured in a district world-famous for its superior craftsmanship, MANFIELD shoes have proved favourites with men of discrimination. There are Blucher and Balmoral styles, in first quality black or brown calf, and brogue styles in black calf or brown grain. Sizes 5½ to 11. Pair $10.50

EATON'S—Second Floor, Queen and James Sts.

THE T. EATON CO LIMITED

PAGE HERSEY EARNS DIVIDEND SO FAR IN 1934

(Continued from page 1)

and this company is getting its share of the business. Formerly most of these tubes came from Great Britain and the United States and as the company manufactures without protection a good deal still comes that way. But the company is meeting the foreign competition though it is understood that it has represented at Ottawa its ability to take care of the whole market. It is able to meet the demands of the market for any type of tubing as it has at Welland three plants which make butt-welded pipes, one plant which makes lap-welded pipes and one which makes seamless tubing. The latter was built at a cost of $2,000,000. Some operations still proceed in the plant at Guelph.

The company has products that will react to almost every step toward recovery. Active industrial conditions should help the seamless tubing sales; and a pick-up in residential building would certainly speed all sales. The company hopes some day to do a larger business than it has ever done. From year to year and quarter to quarter investors turn meditative eyes on the building industry just to see if events are shaping for a growth in earnings by Page-Hersey. They are growing now even though there is a temporary lull whose extent has yet to be gauged.

BY-ELECTION TREND PORTENDS UPHEAVAL IN 1935 TARIFFS

(Continued from page 1)

vice, has been able to increase her annual export trade for the time being only to a moderate extent, while the substantial improvement in her domestic economy has seemingly passed its peak. Europe seems to be entering upon another economic decline.

Leadership Essential

"The important nations striving to promote prosperity are now beginning to discover that a domestic economic programme can restore business only to a moderate extent; it is not possible to bring back a full, stable and durable state of business prosperity without an accompanying international economic programme. And such a programme must have a leader. It is incumbent on some important nation to call a halt to the building of tariff walls and, both by example and by frequent appeal, to seek to move toward a more liberal commercial policy and thus toward the restoration of the international economic order.

"Since this is so imperative to its own well-being, the leadership of this movement should come from the U. S. It is right that this country, with a heritage of leadership, should propose a programme of principles of international commerce and finance to which all can subscribe. It is this that the Roosevelt Administration has undertaken.

"It is all important that we appeal to other countries to recognize the fundamental injuries and losses that they are suffering, and will suffer on an ever increasing scale, from the pursuit of isolation. We must call on them to join in an ever increasing world movement back to the liberalization of trade and the lowering of trade barriers to a moderate level, which will lead to and make possible the stabilization of exchanges and the cancellation of the many present arbitrary methods of exchange control.

"The present hopeless network of impediments can be reduced only by concerted, simultaneous action of at least the more important countries. This is now the objective of our government."

Alta. and B. C. Protest High Freight Rate

Domestic freight rates on feed grains and mill feeds moving from the Prairies west was the subject of protest before the Railway Commission this week.

Thomas Reid, member for New Westminster, B.C., and A. L. Chard, of Edmonton, representing the Governments of British Columbia and Alberta respectively, applied to the board for a reduction to bring these rates to the export rate level. The application was opposed by both the Canadian Pacific and Canadian National Railways companies.

THE OLDEST CITY IN CANADA

CITY OF QUEBEC

4½% bonds

due October 1, 1950

Price: 100 and accrued interest

Complete financial statistics
upon request.

L. G. BEAUBIEN & CO., LIMITED
MONTREAL
Quebec Three Rivers Ottawa Paris (France)

The Nation's Business

(Continued from page 1)

tric radials, and that steam railroads and automobiles would outlast them.

As the years passed, these forecasts proved correct, but still the S.W. & A. and other Ontario radials continued to operate at the expense of the taxpayers. And now the border municipalities are bankrupt. The Hydro wants to give the road up, but inefficient and wasteful municipal interests persist in striving to maintain an obsolete transportation system.

Mr. Hepburn himself is reported to have commented that the S.W. & A. was going the way of all radial lines called upon to meet truck competition. And he pointed out the obvious fact that the deficit could not be borne by the municipalities. Neither can the province afford to countenance the continued operation of a hopeless road in which it has wasted millions. It is up to Mr. Croll and Mr. Hepburn to take action consistent with modern transportation needs; to recognize that subsidizing of a sure loser does not fit into an economy programme.

• • •

Tax Exemption Job Not Complete

RECENT removal by the Dominion Government of the income tax regulation which taxed profits of United Kingdom concerns doing business in Canada through salaried agents, is a step in the right direction. An order-in-council was recently executed authorizing Minister of Finance E. N. Rhodes to sign on behalf of Canada an agreement with the Government of the United Kingdom under which profits accruing from the sale of merchandise by United Kingdom agencies in Canada shall be exempt from income tax providing the same exemption is granted on profits accruing to Canadian agencies operating in the United Kingdom. The agreement is retroactive to April 30.

About a year ago, when it was announced that this tax, which had been on the statute books since 1927, would be rigidly enforced, considerable opposition was immediately forthcoming from the United Kingdom. At that time The Financial Post pointed out that the tax was nothing more or less than an addition to the tariff wall and that Canada was the only country in the world in which such an imposition was made. Subsequently the attempts of the Department of Finance to collect this tax were, it is believed, generally unsuccessful.

The whole job has not been done, however, by the agreement entered into with the United Kingdom. The tax is still applicable to foreign countries, it is understood. One of the first steps which the Government ought to take when parliament is reassembled should be to remove this legislation entirely from the statute books.

• • •

Building Scheme Subsidies Dangerous

TORONTO builders and realtors have apparently voiced hearty disapproval of the plan suggested last week by Ontario's attorney-general A. W. Roebuck that one possible means of starting the construction ball rolling again, would be to grant temporary tax exemption on all new homes completed during 1935. No reasons were given in the press as to why the Torontonians were in opposition but one must assume that one reason would be the considerable amount of real estate presently on their hands which would be for the time being adversely affected by such a proposal.

At any rate it would be interesting to know what alternatives they would offer. Perhaps one plan which has been urged repeatedly by building and construction interests, would be the pouring in of millions of taxpayers' money by way of loan and subsidy to get things moving once more. This is a very live topic at the present time—particularly in Toronto where an important commission is deliberating this very matter. Of special interest, therefore, are the views of a prominent British architect who recently visited Canada and took strong ground against municipal or other public aid to the building of houses for working people. Such plans are proving an utter failure in England, in his opinion.

Canada should concentrate primarily on removing the restrictions and obstacles which are keeping private builders from going ahead rather than entertain the elusive hope that a solution is to be found in a further outpouring of taxpayers' money on schemes that would not otherwise stand the scrutiny of ordinary business tests. The British experiment should be closely studied before steps are taken in this direction which might later prove very costly.

REORGANIZATION KING ED. HOTEL REPORTED NEAR

Earnings Increase Rapidly Following Beer and Wine Sale

A settlement is reported to be near in regard to reorganization of the King Edward Hotel. The plan has been hanging fire since last spring but it is now reported that the Metropolitan Life Insurance Co. of New York, which holds the first mortgage bonds amounting to $2,150,000 and accrued interest is ready to compromise with other security holders.

A sudden increase in earnings following the sale of beer and wine in the hotel in July has added interest to the situation. Revenue has been steadily improving since last winter, The Financial Post understands, but the jump following the new beverage law has raised hopes in some quarters that the company might soon be able to cover all fixed charges. Other observers of the situation interviewed by The Post, however, are not so optimistic and state that a couple of good months at this time of the year is not a sufficient indication of the trend of permanent earnings.

Brewers & Distillers Abandon Capital Change

The proposed capital change of Brewers and Distillers of Vancouver by which preferred and common stock of the new company would be issued in exchange for the shares of the old company, has been abandoned. A satisfactory arrangement was made with the Commissioner of Excise to the effect that there was no liability for stock transfer taxes on the allotment and distribution of the new shares, but the Department of National Revenue later stated that redemption of the preferred stock of the new company would be subject to income tax, so far as that redemption was effected out of profits. It stated as well that if it proved Income War Tax Act should not permit taxation of such profits, steps would be taken to have the act amended. This, of course, destroyed the whole object of the reorganization and it was abandoned.

The company states that the first statement that it was in no way affected by the suit entered by the State of Washington against its former officials is incorrect. An action has been taken against Brewers and Distillers of Vancouver as well on allegation that products of that company found their way into the United States during the period of prohibition. Able American counsel has been engaged and he states that the companies have an excellent defence. Competent managers were provided after the resignation of Henry Reifel as president and of his two sons as voting trustees.

Obituary

Albert P. L'Esperance, formerly general manager of Montreal City and District Savings Bank, died in Montreal at the age of 74 years. Mr. L'Esperance joined the bank in 1879 and, after experience in several of the branches of the bank, was appointed general manager in 1902. He held this position until 1929, when he retired from active service, but was appointed to the board of directors.

Dominion's Credit Given High Place

In Canada and abroad, the credit of the Dominion Government ranks high. In connection with the new loan it is pointed out in a bulletin prepared by McLeod, Young, Weir & Co. that every Dominion issue in recent years is selling in Canada at above the original price.

Canada's credit stands higher in London than that of Australia, New Zealand, Denmark or Norway on the basis of the average yields available on comparable securities, it is shown.

In New York also, Canada's credit ranks above that of Australia, Denmark or Norway. The Dominion's credit, in fact, is better than average among the Empire countries which stand in the front rank of accredited international borrowers.

WILL OFFER 4 MATURITIES IN NEW LOAN

(Continued from page 1)

leased Sept. 27. Mr. Bennett's statement follows the form of that used last year. It is pointed out that the savings in interest charges to the Dominion on its recent conversions amount to $9,000,000 per annum, and that the new loan will mean savings of about $5,000,000 yearly.

Near $275,000,000 Sought

From Our Own Correspondent

OTTAWA. — The total issue will be at least $250,000,000, probably nearer $275,000,000. It appears that the Government, at the last minute, has decided to take more money if it can be raised on these terms.

The entire issue will be redeemable in Canadian funds. It will be purely a domestic loan but it is understood that the Government hopes a substantial number of United States' bondholders will elect to convert 1919 Victory bonds. The issue, however, will not be officially put out in the United States. To do so would require the registration of the bonds under the new United States' Securities Act and the Government has no intention at this time of taking this step.

Control Needed

Reports that the announcement of the issue has been delayed as a result of the many bond issues in the past four weeks by provincial governments are denied at Ottawa. But officials frankly concede that the issue of $75,000,000 of securities in this period (including a small one by Beauharnois) has taken the edge off the market. They are of the view that sooner or later, for the general benefit of governments and corporations, the issuing of new bonds must be controlled or, rather, organized. Much attention has been given to the Australian system which operates through a Loans Council, but the official view at Ottawa—reached in recent weeks—is that such a scheme could never be adopted in this country. A controlling body, of this type, could not function unless the provinces and the Dominion were prepared to surrender their present untrammelled right to issue bonds when and as they please.

It is believed that the central bank will be able to improve the present chaotic situation and every effort will be made by Ottawa to support the efforts of the new institution in this regard.

LESS INCOME GREAT LAKES IS INDICATED

Lower U.S. Dollar Hits Canadian Paper Companies

PRICES DOWN

Little Expectation of Immediate Reorganization of Company—Income Statement Soon

A less favorable income statement is anticipated for Great Lakes Paper Co., which will release new figures soon. Lower newsprint prices and the replacement of the former substantial premium on United States funds by a discount, are the principal factors responsible for this changed situation. The new statement, which will cover the seven months period of receivership from Dec. 1, 1933, to June 30, 1934, will be in the hands of the bondholders in the course of the next few weeks, The Financial Post understands.

Expectations

Existing contracts, it is believed, cover a reasonable percentage of tonnage and some economies have been effected in operation, but due to the two reasons mentioned, it is stated that it would be impossible for the new income statement to be as good as the last one which covered the five months ended Nov. 30, 1933. All that is expected over and above the cost of operations is the coverage of a small portion of depreciation and bond interest.

The outstanding first mortgage six per cent bonds amount to $10,000,000, the interest on which was defaulted on March 1, 1931. Defaulted interest on these to date amounts to approximately $2,400,000. Against this, earnings for the July-November, 1933, period reported were $73,948 with a further $310,417 in the period from the time the present receivers took over in July 1931 to June 30, 1933. These statements covered administration expenses, fire insurance, and taxes but allowed nothing for depreciation.

Premium Big Loss

The seriousness of the disappearance of the premium on American funds is indicated by the fact that this amounted to $180,697 for the period from July 13, 1931 to June 30, 1932 and $175,346 in the next 12 months. For the five months ended Nov. 30, 1933 the premium had dropped to $24,596. Since the last named date there has been no premium at all and in the last few months an actual discount. Generally speaking the change in the Canada-U. S. exchange situation from two years ago represents a price cut of over twenty per cent.

Though the N.R.A. has stabilized low prices of newsprint in the United States at around $40 per ton this stabilization has had the effect of preventing further losses rather than allowing operating at a profit.

When prices first hit $40 per ton, pulp companies believed that ruin could not be averted. It was stated that more than this amount and a premium on U. S. funds would be necessary to allow them to carry on operations in Canada. However, the companies seem to have adjusted themselves to a certain extent to meet the lower prices, but the disappearance of the premium and the possibility of a discount have been a body blow. About the only ray of hope on the horizon at present, The Post is informed, is the fact that the N.R.A. agreements in the States have prevented $35 or even $30 newsprint, figures that were freely predicted when prices started "tobogganing."

From reliable sources The Post learns that there is little possibility of a reorganization of Great Lakes in the immediate future. The general newsprint situation, it is stated, is still too uncertain to permit appraisal of a reasonable basis for future earnings. Moreover with this and other international companies, where the mortgage trust deed contains no provision to enable a majority of the bondholders to put a reorganization scheme into operation, corporation lawyers are not at all convinced that the new Companies Creditors Arrangements Act, which has been passed by the Dominion Government, will iron out all difficulties.

Great Lakes May Develop Power on Montreal River

News comes from Sault Ste. Marie that a general expectation exists that Great Lakes Power Co. will exercise its rights for power development on the Montreal river. The company owns two hydro-electric power plants, one on St. Mary's river at Sault Ste. Marie and the second at High Falls on the Michipicoten river. From the 63,000 horsepower thus developed electric energy was sold under long term contracts to Abitibi Power & Paper Co. which has a plant in active operation at Sault Ste. Marie, Algoma Steel Corp. which is much more active this summer than last, Algoma Central & Hudson Bay Railway and the city of Sault Ste. Marie.

Electricity, generated and sold, increased steadily in 1931, 1932 and 1933. It is still increasing but in 1933 the receivership of Algoma Steel Corp. resulted in company having to accept a receiver's certificate for $150,000 at a loss of $97,000 for indebtedness owed to it. General activity at Sault Ste. Marie has been greater in 1934, thus accounting for belief of Great Lakes Power Board that further development is called for.

Nothing has been heard of this proposal by the Hydro-Electric Power Commission of Ontario as yet and no comment will be forthcoming as to their attitude toward such a development until the report takes more definite form.

Canada Packers Workers Get Six Per Cent Increase

Employees of Canada Packers Ltd., have received an increase in wages of approximately six per cent, it is announced.

In United States a similar wage increase is reported and it is understood that subsidiaries of American packing plants in Canada have also boosted wages.

GOOD REASONS FOR RATE SPREAD ON U. S. SILVER

American Coins Are More Costly for Banks to Handle Than Paper

Because of the discount on the U.S. dollar in Canada, widely divergent rates of discount on American silver coins now prevail in this country. The Canadian banks have been making efforts to keep American silver out of the Dominion, but it remains here in substantial quantity. This is an example of Gresham's law which says that bad money drives out good.

Canadian banks are paying for American silver at rates varying from an eight per cent discount to approximately the current market discount on drafts, which has been about three per cent. Buffalo banks are paying a premium of 1½ per cent on Canadian silver compared with a premium of about three per cent on Canadian bank notes or drafts.

Why Rates Vary

The rate of discount on American silver varies in accordance with the amount, the exchange rate and the distance from U.S. border points. Canadian bank branches are charging a larger discount for smaller amounts than main branches. The difference in the rate paid for U.S. silver by branches and main offices is similar to the difference between wholesale and retail dealings. Branch banks have to deal with many small amounts. Main branches can mass their purchases with a lesser proportionate cost of handling.

There are several costs that make it necessary to charge a larger discount on American silver than on paper currency. First there is the cost of shipping. Then there is a loss of interest while a large enough amount of silver is accumulated for shipment to the United States. This delay also involves an exchange risk. In addition, main shipping branches of the Canadian banks have to buy a U.S. consular certificate every week to cover their shipments. And since most shipments are to Federal Reserve banks, an allowance must be made for mutilation. The F. R. institutions ordinarily write down shipments by as much as 1½ per cent on this score. These are all expenses that do not apply to U.S. paper money, or which are much smaller for notes and cheques.

Border Points

At American border points, Canadian banks are trying to take American silver at as near to the current exchange rate as possible. This helps the Canadian merchants who do business with Americans, and the risk is comparatively small because daily shipments can be made. At more remote branches the discount on American silver is from six to eight per cent, with the U. S. dollar at a three per cent discount.

Canadian merchants at some points find themselves obliged to take American silver from both Canadians and Americans. Otherwise transient customers would be offended. In a few cases merchants have charged a discount. More often they have been taking the U. S. currency and trying to pass it on to other customers in change.

Discount Rate

If the discount on the U. S. dollar persists, someone will have to take a loss on the coins circulating in Canada. Canadians are beginning to wonder whether they should accept American coins as "change" in merchandise transactions. So far it has been passed freely from hand to hand. Banks have been victims in taking coins in deposits. As one teller puts it, "You can't do much about a few coins in a substantial deposit." Some of the coins are slipped back into circulation through tellers' wickets.

One thing is certain. As long as Canadian merchants accept U. S. coins, at full value the money will continue to circulate in Canada, despite banks' efforts to clear it out. Banks have a good reason for doing the latter. They don't want to be "stuck" with American coinage if the discount on U. S. money increases.

BUSINESS IS BETTER FOR CONDUITS CO. LTD.

General Pick-up Since Beginning of Year — New Directors

Since the beginning of the year, business has been improving steadily for Conduits Co. Ltd., it is reported. The pick-up, it is understood, has been general in all lines and has been due to the slight improvement in construction and also to building extensions and improvements. As to actual earnings, however, The Financial Post is informed it is still too early in the year to make definite predictions. The company's fiscal year closes Dec. 31. The company manufactures rigid electrical conduits, elbows, etc., for use in industrial plants, office buildings, private residences and other buildings.

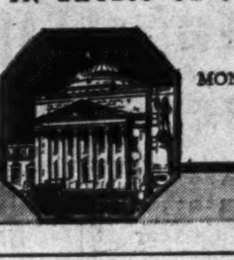
At the recent meeting of shareholders and the directors meeting following, vacancies in the board of directors were filled. The new board consists of F. B. Condit, Boston, president; Mary W. Hall, vice-president; J. R. Rumball, secretary; H. D. Hearst and D. Maclean.

Canadian Industries Put Dividend on $4 Basis

From Our Own Correspondent

MONTREAL.—With the declaration of a quarterly dividend of $1 on the class A and class B stocks of the company, the management of Canadian Industries Ltd. have increased their annual dividend rate from $3.50 to $4 a share.

This increase in the disbursement on the capital stock is taken to reflect an improvement in the earning power of the company. It is understood that all divisions of the company have recorded a marked improvement in their income during the current year. The business of the Explosives Division, for example, has grown to such an extent that the increased volume has permitted a marked reduction in manufacturing costs, so that the company has been able to pass along the savings to the users through reduction in selling prices.



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HEAD OFFICE MONTREAL

Canada's Rising Coal Imports From U. K. Called Impressive

Growth of Britain's export to Canada of anthracite coal is termed "impressive" by F. W. Field, British Trade Commissioner in Canada, in his annual report which will appear shortly.

In a little more than a decade, Mr. Field states, this trade has increased from about 100 tons to over 1½ million tons, the gain being at the expense of the United States. Not only has this trade been beneficial to the United Kingdom but Canadian wheat exporters have been supplied with additional tonnage for export purposes.

Despite this increase in coal imports from Britain, Mr. Field points to the fact that, although Canada exports to the United Kingdom more than two and a half times as much as she imports from there, she imports from the United States half as much again as she exports to that country. A falling off in imports of British alcoholic beverages, lead pencils, leather and leather goods, glass bottles and pottery is also noted.

Referring to the current position of Canadian industry, Mr. Field states:

"The general position today is better than it was a year ago. Those best competent to judge do not expect a sharp recovery or the proverbial boom. The improvement is occurring partly as a result of better world conditions and is likely to be gradual and consequently more substantial. There is a measure of confidence and hope that was not evident in the spring of 1933."

BRAZILIAN NET FOR AUGUST UP, RATES UNCERTAIN

Improving Exchange and Expanding Business — Report Awaited

Despite the fact that Brazilian Traction Light & Power Co. reports its income materially decreased because the Vargas "gold" decree makes it obligatory on foreign-owned companies to charge for certain services on the basis of the Brazilian paper milreis, its August report shows its gross and net income for August a little higher. A commission is now at work in the effort to determine what permanent rates should be and that is the next great piece of information being awaited by the investing public to judge once again with some confidence of the future. In the meantime collections are on the basis of temporary rates charged by the company.

Since January both gross and net earnings have been increasing. For the eight months gross receipts increased $921,065 to $19,832,363, but expenses increased even more so that net earnings were down $117,725 to $10,261,993. It is only in June, July and August that net income has also shown a small percentage increase and as expenses increased materially in those months that improvement evidently has been the result of expanding business. August gross of $2,722,061 was $194,977 ahead of August, 1933, net of $1,467,521 gained $56,609 over August, 1933.

Reports indicate the Brazilian government making further steps in the direction of freeing exchange. Until the commission reports on rates it cannot be judged how soon the exchange improvement will prove of benefit to Brazilian.

Montreal Building Permits Smallest in 50 Years

Unless there should be a sudden spurt in building operations this fall, 1934 will record the lowest building year in 50 years for the city of Montreal, it is indicated by figures recently issued by J. E. Carmel, Montreal Building Superintendent.

In the first eight months of this year, building permits were issued for a total of $2,697,069 as compared with $3,901,762 for the similar period of 1933. This total would indicate a total for the year of no more than $3,500,000 whereas the figures for 1933 were $5,648,862 and for 1932 were $10,537,438.

Postal Telegraph & Cable Increases Gross and Net

Postal Telegraph & Cable Corp. report for first six months of 1934 showed gross earnings of $14,762,963 as compared with $13,516,189 for the first half of 1933. Net income for the period was $1,017,341 as compared with $539,907 in the six months ended June 30, 1933.

Net result was a loss for the period of only $255,296 after paying $1,272,637 interest on 5 per cent collateral trust bonds and debenture stock as compared with a loss of $708,506 in the first half of 1933. Thus interest is being four-fifths earned at present after depreciation and general charges of associated companies.

BANK OF MONTREAL MANAGERS CONFER

Assistant General Manager Holds Meetings at Edmonton and Calgary

Branch managers of the Bank of Montreal from 20 points in the Edmonton vicinity gathered in the Alberta capital last week for a conference with O. R. Sharp, assistant general manager, who has been making a tour of western Canada. W. McDonnell, superintendent of Alberta branches, and Frank Pile, manager of the Edmonton main branch, attended the gathering. A similar conference was also held at Calgary.

Among those invited to the Edmonton meeting were the following Alberta managers: H. E. Jones, Alliance; J. G. Robinson, Camrose; G. B. Gorrell, Castor; C. R. Smith, Chauvin; R. Simsonsen, Daysland; H. C. Chapin, Edgerton; A. E. Gardiner, Forestburg; W. H. Beacom, Hughenden; J. D. Wallbridge, Islay; L. A. V. Leitch, Leduc; A. C. Gladman, Mannville; A. A. Nicol, Ponoka; J. H. Buchanan, Sedgewick; L. W. Smith, Tofield; M. W. Bond, Vegreville; R. G. Fullarton, Viking; C. W. McBride, Wainwright; A. E. Munson, Westlock; R. S. Hinton, Wetaskiwin. L. A. Leitch, Leduc; A. C. Gladman,

Walkerville Brewery May Declare Dividend

Walkerville Brewery common stock dividend will be considered at a meeting of the directors in about three weeks time. Those close to the company expect that the initial declaration will be 25 cents a share. No official information is yet available.

One reason for this optimism is that earnings during, July, August and September are stated to be more than sufficient to cover such a dividend. July sales were much larger than July of 1933 and August volume much higher still.

Since the new Ontario Law came into effect in July, it is stated that the sales have gone up more than 300 per cent. September also has been ahead of the same month in 1933.

Old McConnell Property Being Diamond Drilled

From Our Own Correspondent

Sudbury.—Among the formerly worked gold properties in the Sudbury district now being subjected to new exploration is the old McConnell property, now known as the Beckley, in the northern part of Falconbridge township, in the Wahnapitae area. Lionel Brooke and C. H. Hitchcock, Sudbury engineers, as a private venture, are doing some diamond drilling, after having pumped out the old workings, which consisted of a 46-ft. shaft and a crosscut driven for 59 ft. A series of five holes have been put down in the new programme and three of them intersected ore. Some encouraging assays have been secured.

The property consists of five claims, totalling 200 acres, all patented. Previously $42,000 was spent on development by a man named Beckley, of Rochester, N.Y.

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Canada Seeks Ways of Escape From Strait-Jacket of B. N. A.

Business Finds Use of "Enabling" Legislation Poor Substitute For Efficient Government

By **GRANT DEXTER**

One of the chief aims of the forthcoming constitutional conference will be to provide means of escape from a statutory strait - jacket which has prevented progress in the sphere of social legislation. By social legislation is meant—control of wages, hours and conditions of labor, social insurance, regulation of prices, of the distribution of merchandise, co-operation in international efforts toward improvement in public health, the suppression of traffic in vice.

In the Stevens enquiry evidence was adduced to show that provincial labor laws are largely ignored and the reason is not far to seek. The British North America Act gives exclusive jurisdiction in such matters to the provincial legislatures. The legislatures have done what they could to meet the demand for social legislation, but their efforts have been either ineffective or, worse, hopelessly inefficient.

Provinces Must Keep in Line

In these times of large scale production and rapid transportation it is impossible for one province to get out of line with the others. If it does, the production costs of the commodities affected must rise and the manufacturers or producers within such a province will inevitably find difficulty in meeting domestic competition.

If there is to be real minimum wage and hours of labor legislation in Canada it is fairly obvious that it must be on a national scale. The provinces, however much they may desire to co-operate, have never been able to get together on such matters, and the result has been that either no legislation has been attempted or laws have been enacted but not enforced.

Some Exceptions Noted

To this general proposition there are a few notable exceptions. The provinces have succeeded fairly well with workmen's compensation laws and have gone a considerable distance in policies like Mothers' Allowances. But the industrial legislation of the provinces, apart from the compensation acts, has not worked efficiently.

There is plenty of evidence on the statute books to prove that both Federal and provincial statesmen are well aware of this weakness. Indeed many attempts have been made to get around it and perhaps the most common method of procedure has been that of passing enabling legislation.

Enabling Legislation

In an ever growing number of instances the provinces have encouraged the Dominion to go forward with social legislation which is clearly unconstitutional and have passed special laws "enabling" Ottawa to do what otherwise is clearly beyond its constitutional power.

For example, the Dominion Parliament long ago enacted the Industrial Disputes Act, a statute designed to compel both sides to industrial disputes to delay strikes until an effort to arbitrate could be made. The purpose of this act was commended everywhere, but as industrial disputes—unless they threatened a national calamity—are matters of provincial concern, the Dominion had no business attempting to enforce the statute. But when the Federal law was challenged in the courts, the provinces came to Ottawa's assistance by passing laws enabling the Dominion to carry on.

Example in Agriculture

Precisely the same course was followed with respect to the grading of eggs, meat and other produce. Control over property is vested by the constitution in the provinces. But nine provinces would make little headway in seeking to improve quality by grading. Had the provincial governments proceeded to set up grading machinery the result would probably have been six or seven different sets of grades which would have led to utter confusion in the lines affected. So the Dominion stepped in with a statute of Parliament setting up grades on a nation-wide basis and the provinces by legislation, enabled Ottawa to do the work.

Fusion of Jurisdiction

Enabling legislation really means a fusion of the Dominion and provincial jurisdictions. Where enabling legislation exists the government exercising the fused jurisdictions may be said to possess complete power. Within the confines of the enabling statutes there is nothing which cannot be done except—as was pointed out by a distinguished historian when fixing a limit to the authority of the British Parliament—except to the change of sex of human beings and animals.

The new marketing acts of the Dominion and the provinces are but the latest venture in "enabling" legislation. The Dominion Government is seeking to avoid the hazards of the British North America Act by saying to the provincial governments:

"We have complete control over inter-provincial trade and exports and imports. You have complete control over production and trade within your boundaries. For purposes of regulating the marketing of natural products, we are willing to pool our powers with yours, both to be entrusted to a group of men comprising a marketing board."

Most of the provinces have placed themselves, by legislation, in a position where they can co-operate with the Dominion and two boards, one of which will exercise provincial and Dominion powers, have already been created.

Poor Substitute

But the "enabling" legislation method is a poor substitute for undivided jurisdiction. It is subject to many perils and lacks the elasticity necessary to the efficient operation of commerce.

There is no such thing as a permanent statute. Any law passed by a British Parliament (or legislature) however permanent it may appear from the text, can be repealed or amended at the will of a body of competent law makers.

Nor can the present set up of the marketing legislation (Dominion and provincial) be modified save by further enactments either at Ottawa or the provincial capitals. It follows, that either the Dominion or any one of the provinces by re-appealing its Marketing Act could tumble the whole structure into ruins. The defection of Ontario, for example, would make marketing control of most Canadian products—under the existing set up—virtually impossible.

Legislative Dilemma

A few years ago the Dominion and the provinces undertook, by enabling legislation, to control the operations of commission men who bought hogs from farmers. They decreed that these men must place money in trust accounts to protect every farmer who sold to them. But they failed, as human beings occasionally are bound to do, to put in a clause enabling the commission men to draw their money out of the trust account to pay the farmers.

More than 12 months passed before the Dominion and the legislatures could get around to making the necessary correction and meantime the commission men were almost driven out of business—to the great inconvenience and loss of farmers. Had the power to regulate, in this case, rested with the Dominion, the slip could have been corrected in a matter of hours.

Second Rate Solution

The device of enabling legislation, therefore, whether it is applied to marketing acts, grading or other activities, is at best a second rate solution of the constitutional problem. It is never permanent, always changeable at the will of any of the contracting parties, is inelastic and cumbersome, because neither Parliament nor the legislatures can permanently divest themselves of the smallest part of their jurisdiction. These powers derive from the British North America Act, a statute passed by the British Parliament, and they can be changed only by an amendment of the constitution. What they may give by their own legislation today, they or their successors may recall tomorrow.

That the method of enabling legislation has not been applied more widely in solving the constitutional question is probably due to the fact that no government cares to lend its powers to others who, in exercising them, may stir up public resentment. Such resentment invariably is visited upon the heads of those constitutionally responsible.

Re-allocate Powers

One of the objectives to be sought at the Ottawa conference will be a re-allocation of jurisdiction, in the light of present day conditions. It is impossible to hope that any permanent settlement can be reached unless one or other of the two present jurisdictions is done away with. This, of course, is neither possible nor desirable.

But it is possible and, from many viewpoints, desirable that a re-allocation of powers to be made as between the Dominion and the provinces. The conference will be faced with a problem of deciding if jurisdiction over social and, possibly, marketing legislation should not be vested, exclusively, in the Dominion. Whatever settlement is arrived at, it is only reasonable that further changes will become necessary as time goes on.

Permanent solution of the constitutional problem, where jurisdiction must be divided between two classes of government, is impossible. But the immediate weaknesses in our scheme of government can be remedied and, quite possibly, some simple method of making constitutional changes in the future may be worked out.

B. N. A. Act in Review Will Aid Post Readers

The constitutional conference announced from Ottawa recently is being heralded in many quarters as one of the most significant gatherings since Confederation. It will be one of the few federal-provincial gatherings since 1867, called primarily to discuss the constitutional bedrock on which the Dominion stands—namely, the British North America Act—and to devise ways and means of improving that historic document.

Irrespective of what is achieved at the meeting it is important that thinking Canadians should be familiar with the pros and cons of the situation; should have accurate knowledge from which to interpret the deliberations of those who will meet at Ottawa next month.

In this second of four articles by Grant Dexter, the vital and significant facts about the B.N.A. Act and the constitutional problems which have arisen therefrom are being unfolded. In preparation for many months, these articles are being published at a time when they will be of the very greatest value to business and professional men, educationists and political leaders in that they will give a clear, unbiased background from which the subsequent Ottawa meetings can be followed and understood.

VANCOUVER DRUG EARNINGS HIGHER BANK LOAN LESS

Pays Half Dividends — Two Stores Added to Chain

Net profit of Vancouver Western Drug Co. increased from $5,408 for 1933 to $9,765 for the year ended May 31, 1934. Before interest, depreciation, and income tax, earnings of the company amounted to $61,006 as compared with $53,014 for the previous year.

Due to a reduction in the bank loan, interest on this liability amounted to $14,635 as compared with $16,521 in 1933. Depreciation written off was $29,319 or almost exactly the same as in the previous year.

Pay Half Dividends

The company followed the same policy of the previous year in paying half dividends or 3¼ per cent on the 6½ per cent preferred shares. This took $12,762 or about the same as in 1933 and resulted in a deficit of $2,997 as compared with $7,366 in 1933. Thus last year's surplus of $64,528 was further reduced to $61,531 at the close of the last fiscal year.

Income and Surplus Account
Years Ending May 31

	1934 $	1933 $
Earnings	61,006	53,014
Less:		
Int. on bank loans, etc.	14,635	16,521
Depreciation	29,319	29,185
Income taxes	7,287	1,900
Net profit	9,765	5,408
Less: Pref. divs.	12,762	12,774
Deficit	2,997	7,366
Prev. surplus	64,528	69,014
Adjust. prior years	......	2,879
Bal. carried for'd.	61,531	64,528

Reduce Bank Loan

Owing to the reduction in the bank loan, working capital was improved from $282,161 to $286,423. Total current assets were down from $421,183 in 1933 to $393,936. The decline was entirely due to a drop in inventory value from $402,239 in the previous year to $364,970. Accounts receivable of $15,384 and cash $13,582 were both substantially higher than in the previous year.

Working Capital

	1934 $	1933 $
Current assets	393,936	421,183
Current liabilities	107,513	139,022
Working capital	286,423	282,161
Ratio	3.66—1	3.02—1

New Directors

No additional stores were added to the company's retail chain which operates in Vancouver, New Westminster, and Victoria, during the last fiscal year, but since then it is understood two more drug stores have been opened. At the recent annual meeting in Vancouver, the old board was re-elected and the following new directors added: W. T. Johnston, D. W. Ross and C. H. Wilson. The re-elected officers and directors were: Dr. G. H. Worthington, president and managing-director; P. H. Merrin, vice-president; H. H. Jones, secretary; C. N. Wood, Stanley Burke and E. G. Baynes.

Yachtsman Elected

EDMUND LANG

Chairman of the race committee of the New York Yacht Club, under whose auspices the present contest for the America Cup between the British yacht Endeavour and United States yacht Rainbow is being run, has been elected a director of the Commonwealth Electric Corp., Ltd., of Welland, Ont. Commonwealth Electric are sole Canadian licensees of Crocker-Wheeler Electric Manufacturing Co., of Ampere, New Jersey. Mr. Lang is president of the latter company.

Canadian Celanese Plan on Arrears is Indefinite

From Our Own Correspondent

MONTREAL.—Current plant operations of Canadian Celanese are being conducted at capacity, which ratio has been in effect for some considerable time, according to a statement made by Dr. Camille Dreyfus, president of the company.

In discussing the plan which the directors are known to have had under consideration for the liquidation of arrears of dividends on the preferred stock, which currently amount to about $24 a share, Dr. Dreyfus states that nothing of a definite nature had yet been arrived at in that connection.

Brompton Trades Limits for North Shore Timber

From Our Own Correspondent

MONTREAL.—Arrangements have been concluded between the Quebec Department of Lands and Forests and the Brompton Pulp and Paper Co. and the McCrea-Wilson Co., for the exchange of 200,000 acres of land in L'Islet, Montmagny, Bellechasse, Magantic, Compton, Lotbiniere and Wolfe Counties in exchange for properties situated in Charlevoix-Saguenay district, near the Riviere aux Outardes on the north shore.

The provincial government intends to use the property formerly held by Brompton and its subsidiary, McCrea-Wilson Lumber Co., for the purpose of colonization work.

B. C. POLICIES ON CIVIC DEBTS STILL IN GLOOM

Business Men and Bond Dealers Fear Harm Done to B. C. Credit

From Our Own Correspondent

VANCOUVER.—A week after Hon. A. Wells Gray's statement concerning government support of a general scaling down of municipal bond interest, British Columbia was still pretty much in the dark concerning the Pattullo administration's policy.

Bond dealers and holders were obliged to make their own interpretation of the remarks made by Mr. Gray, Premier Pattullo and Hon. John Hart, minister of finance, and the result was not particularly satisfactory. The impression was left that the government does not intend to commit itself any more than it has done already; that it will not take any direct steps to further repudiation of municipal bonds, and that it will deal with each case on its own merits as the situation arises.

Felt Harm Done

Business men were inclined to feel that considerable harm had been done by the announcement of Mr. Gray, the minister of municipalities, that the scaling down of debt would probably apply eventually to all municipalities with substantial indebtedness. While Mr. Gray and later Mr. Pattullo and Mr. Hart tried to stress the fact that the government was merely offering to facilitate and legalize what had already been done in three municipalities, the tendency among business men was to regard the government's announcement as "an invitation to default."

Meanwhile it was reported that the market for British Columbia municipal issues was practically at a standstill. However, this is not a particularly new development, as there has been little sale of bonds even of the larger cities, such as Vancouver. Vancouver, incidentally, lost no time in asserting that it had no intention of defaulting on its obligations, and other cities took a similar course.

Reeve Criticizes Plan

The reeve of Esquimalt characterized the reputed policy of the provincial government as a "mischievous attempt to force bond holders to bear a load that should be carried by the community at large." Members of the legislature are now busy aligning themselves according to their individual feelings in the matter, and a good deal will be heard about the municipal situation when the house goes into session.

Bond dealers say they have no objection to dealing with individual cases and adjusting them in a spirit of compromise but they believe that announcement of a government's readiness to encourage repudiation on a general scale would do the province incalculable harm. The softness in the market for B.C provincial and municipal bonds that followed the announcement of Mr. Gray's unusual scheme is taken as indication of the truth of the bond-dealers' assertions.

ENGLISH MARKET WIDENS GREATLY FOR RED SQUIRREL

World Fur Trade Now Centres in London, Expert Reports

From Our Own Correspondent

WINNIPEG.—A substantial new market is being built up in England for a hitherto neglected article in the Canadian raw fur trade, according to Adolph Hurtig, prominent Winnipeg manufacturing furrier, who has just returned from an extended trip to Europe. This article is the common Canadian red squirrel which up until recent times found a limited market at a price range of from two to three cents for use in the trimming trade

This new market has been opened up through recent advances in the dyer's and dresser's art in England. They have discovered how to produce an attractive imitation of ermine and kolinsky from red squirrel which although it has poor wearing qualities is being eagerly taken by consumers of the cheaper classes of garment.

Bought 500,000

One firm alone in London bought over half a million of these pelts last spring and has had great success in creating a vogue for imitation ermine and kolinsky. Other firms followed suit with the result that there is now a rapidly increasing demand for Canadian squirrel at a price range of 20 to 21 cents for good average sorts.

The major channels of the world's raw fur trade are swinging toward London, says Mr. Hurtig. More buyers and sellers of raw fur are dealing directly with the British capital than ever in the history of the trade. A great deal of this business has been diverted from Leipzig and Hamburg, owing to the disorganization of the German trade. A substantial portion of it is, however, developing at sources which formerly dealt with St. Louis, New York and even the Canadian markets. It is a paradox of the trade that many Canadian furs are bought in London to be brought back for consumption in Canada.

London, Fur Centre

The trend toward increasing inter-empire trade is contributing greatly to London's advancing position in the world fur market. India, which used to market its Persian lamb almost exclusively in New York, now gives all its business to London by trade agreement. The same is true of South Africa with whom a large business is done in Persian lamb, caracul, foxes and the native otter.

Australia has always disposed of its furs in London. These include Australian and Tasmanian opossum and large quantities of rabbits. The rabbit trade is growing steadily in importance with the increasing use of lapin, sealine and other adaptations of the pelts.

In England a steady improvement has been taking place in the fur trade for two years. This has been bolstered by increasing home consumption. Until recent years the wealthy class of consumer went mainly to the continent for its requirements. Now it is showing a disposition to buy at home.

INDUSTRY in the Cities and Towns of the MONTRÉAL Market District

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18
N.E.
N.W.
E.
S.W.
S.E.
Grand Mere
Shawinigan Falls
Three Rivers
Louiseville
Berthier
Joliette
St. Jerome
Montebello
Buckingham
Hull
OTTAWA
MONTREAL
St. Hyacinthe
Drummondville
Victoriaville
Richmond
Granby
Sherbrooke
Magog
Valleyfield
Detail Map GREATER MONTREAL

SOUTH EAST—China — Sewing Machines — Clothing — Textiles — Silk Products — Hosiery — Woollens — Paper — Machinery — Asbestos — Rubber Goods — Cigars — Tobacco — Linoleum — Plush — Mining — Timber — Lime — Wood Products — Furniture — Metal Products. **NORTH WEST**—Matches — Cement — Newsprints — Meat Products — Rubber — Paper — Knitted Goods — Textiles — Ammunition — Lumber Products — Electric Power — Chemicals — Furniture. — **SOUTH WEST**—Textiles — Flour Milling — Paper — Furniture. **NORTH EAST**—Textiles — Paper — Boots and Shoes — Electric Power — Aluminum — Carbide — Cellophane — Carborandum — Steel and Iron — Knit Goods — Gloves — Lime — Matches — Distillery Products. **EAST**—Pipe organs — Textiles — Silk Products — Cotton — Boots and Shoes — Leather — Clothing — Hosiery — Paper Specialties — Rubber — Steel Castings — Furniture — Silk.

Payrolls, Salaries and Dividends...

MANUFACTURING in the Montreal Market District is by no means confined to the Metropolis. Industrial centres spread out from the Metropolitan area to Hull on the west, Three Rivers on the east and South to the Border. These tributary payroll centres add another **$186,591,135** to Montreal's **$500,000,000** total annual volume of manufactures. The plants pictured are a few of those dotted over the area, taking advantage of the excellent provision of POWER, WATER and LABOUR SUPPLY.

THE population of the Montreal Market District, exclusive of the Metropolitan and the Rural areas is **339,265** of which **88%** are **FRENCH** speaking, reading and thinking people.

In no other section of Canada have payrolls proven so stable as in these cities and towns within the Montreal Market District, largely due to the inborn steadiness of the French Canadian workman. Consumer power is correspondingly stable.

1. Chemicals
2. Silks
3. Pulp & Paper
4. Felt & Rope
*5. Canadian Potteries**
6. Electric Power
7. Newsprint
*8. Cottons**
9. 330,000 horsepower
10. Textiles
11. Silks
12. Cotton Mills
13. Fine Papers
*14. Tobacco**
15. Textiles
16. Power Plant
17. Cotton
*18. Rubber**

**Photos by Canadian Airways Limited*

Total Population of MONTREAL Market District
1,996,255--72.8% FRENCH

● This **FRENCH** market responds excellently to sales and advertising plans fitted to its needs. The facts presented in these announcements are compiled from Government and other authentic sources by the Montreal La Presse as part of its service to manufacturers and others who wish to develop to the utmost the trade possibilities of this important section of Canada's population.

For full information on marketing conditions write the Business Manager, **LA PRESSE,** (Canada's French National Newspaper) Montreal

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YOU MAY BE STRONG ENOUGH IN ONE LANGUAGE, HOW ABOUT THE OTHER?

Utilities and Transportation

Joseph Simard's Bid On Sin-Mac Properties Viewed as Inadequate

Bondholders Find Difficulty in Reconciling Offer of $150,000 in Cash and Stock With Reported Values

COMMITTEE GIVES BASIS OF APPROVAL

Sale of Eastern Assets, Constituting Bulk of Properties, Would Give Bondholders About 15 Cents on the Dollar — Vote on Proposal Next Monday

From Our Own Correspondent

MONTREAL. — Dissatisfaction is being expressed by bondholders to the proposal whereby the bankrupt Sin-Mac Lines will sell the greater part of its assets for a few cents on the dollar to a company to be formed by Joseph Simard, of Montreal.

Six years ago Sin-Mac Lines was brought into being, as a consolidation of several towing and salvage companies operating on the Great Lakes and the St. Lawrence, with operations centred at Montreal, Sorel, Kingston, Toronto, Sarnia and Port Arthur.

Own Extensive Property

Property owned by the company consists of 30 steamers and tugs, 10 barges and lighters, harbor properties and buildings, wharves, machine shops, repair yards, wrecking equipment and other machinery and equipment used in the business. As set forth in the bond offering prospectus the five companies absorbed handled more than 90 per cent of the general towing, harbor towing and general wrecking service on the Canadian side of the international boundary from Fort William to the sea.

Capitalization of the new company was made up of $1,500,000 of 6 per cent first mortgage bonds; $906,000 of 7 per cent cumulative convertible preferred stock and 53,120 shares of no par value common stock.

Basis of Financing

Toward the end of April, 1929, W. C. Pitfield & Co. offered the first mortgage bonds to the public at a price of 99 and accrued interest. The prospectus stated for the three years ended December 31, 1928, net earnings available for bond interest before depreciation and income tax were at the average rate of $256,119 per annum, or the equivalent to 2.85 times interest requirements on the issue. It was further stated that estimated net earnings on this basis, after taking into consideration savings due to the amalgamation, etc., would be in excess of $330,000. Total net assets at the time were equivalent to over $1,700 for each $1,000 of first mortgage bonds outstanding.

Earnings Below Estimate

The record of the company since that time, making due allowance for changed business conditions shows a wide divergence between actual and estimated earnings. In the first year of operations net profits, after depreciation, totalled $153,571. In 1930 the net operating profit, before depreciation, totalled $11,021. Earnings on the same basis in 1932 and 1933 were $63,190 and $26,895, respectively.

Bondholders Take Over

Failure of earnings to come up to anything like estimates, necessitated a default of interest due on October 1, 1931—two and a half years after public financing. In December of that year a bondholders' protective committee was formed and in January, 1932, a winding-up order was issued by the courts against the company on petition of a creditor. Since that time the property has been operated for the benefit of the bondholders.

Consider Simard's Offer

At the beginning of next week the bondholders meet to approve of an offer from Joseph Simard for the greater part of the assets east of Port Weller, including all the fixed assets or floating equipment at Montreal, Sorel, Kingston and Morrisburg. The offer does not cover or include cash, securities, receivables or other liquid assets save as resulting from the operation of the assets mentioned in the offer from and after May 15, 1934.

If the eastern assets are sold, the company will retain, in addition to the liquid assets, the western assets, consisting of four steel tugs, three wooden tugs, two steamers, two derricks, sundry tools and equipment at Port Arthur and Sarnia. The company will also retain its ice-breaking contract at Port Arthur.

Small Return for Assets

In consideration for by far the largest proportion of Sin-Mac Lines assets, which at December 31 last had a depreciated book value of nearly $1,400,000, Joseph Simard offers the bondholders $150,000 in cash and 13,740 shares of no par value common stock of a total issue of 75,000 shares in the new company.

Disallowing the common stock, this offer is equivalent to a cash return of $10.91 per $100 par value of first mortgage bonds outstanding.

Two Tugs Affect Decision

The bondholders' protective committee recommends the acceptance of this offer, principally because of the fact that Mr. Simard has recently purchased two new tugs for service on the St. Lawrence River out of Montreal and Sorel, the competition from which would make it difficult for Sin-Mac Lines to operate profitably.

The committee also informs the bondholders that if they should decide to sell the eastern assets, "substantial economies would be realized as a large part of the general overhead and operating charges will be saved. The committee is of the opinion that in such case the western end of the business should prove profitable and should be continued until a satisfactory sale can be made."

A further consideration in respect to the sale of the eastern assets is that less capital will be required by Sin-Mac Lines to continue operations, so that the surplus, together with the cash payment of $150,000, will be distributed to the bondholders in an amount of approximately $15 for each $100 par value of bonds.

Loss This Year

As regards the current operating position of Sin-Mac Lines the committee report to the bondholders that in the first half of 1934 gross income totalled $85,480 as against operating expenses and administrative expenses of $103,508, leaving a net loss of $18,028. For the corresponding period of last year income totalled $124,588, expenses $126,442, and net loss $1,853.

In explaining the reasons for the lower income, it is pointed out that the principal decreases were due to returns from the Port Arthur ice-breaking contract and absence of salvage work. The decreases from these two sources totalled $43,342, which, compared with the total decrease in income of $39,108, shows that net income from other sources increased by $4,234.

Working capital position at the end of last June was $7,351 better than on the same date in 1933, the excess of current assets over current liabilities totalling $159,860 compared with $152,517 last year.

The opinion of those in opposition to the sale, is that the offer put forward by Mr. Simard and endorsed by the committee, calls for the sale of the bulk of the assets at a price for much less than they are worth. The point is realized that the asset values have depreciated since 1929, but $150,000 in cash plus a block of common stock of negligible value does not seem a reasonable bid for the bulk of the assets which at the end of last year had a depreciated book value of $1,388,994.

At the moment there does not appear any well-organized opposition to the sale of the assets and, if a majority of the bondholders are present at the meeting, it is more than likely that the proposal will be approved.

Toronto Harbor Tonnage Lower Last Month

Inward tonnage handled by the Port of Toronto during the month of August amounted to 350,956, a decrease of 19,665 tons from the same month last year. Grain handled was more than doubled at 24,833 tons but there was some reduction in coal and coke at 206,779 tons and oil at 82,712 tons.

Total tonnage handled for the year to date is, however, considerably greater than last year. For the eight months to the end of August, 1,773,340 tons was handled

Public Utility Earnings

B. C. Power

	1934 $	1933 $	Increase $
July			
Gr. earn.	1,018,466	1,003,177	15,289
Oper. exps. .	702,253	710,063	*7,810
Net earn. ..	316,213	293,114	23,099
August			
Gr. earn. ..	1,053,934	1,013,678	40,256
Oper. exps.	739,553	734,935	4,618
Net earn. ..	314,381	278,743	35,638
Two Mos. end. Aug. 31:			
Gr. earn. ..	2,072,400	2,016,855	55,545
Oper. exps. .	1,441,806	1,444,998	*3,192
Net earn. ..	630,594	571,857	58,737

* Decrease.

East Kootenay Power

August:	1934 $	1933 $	Increase $
Gross earn. ...	37,488	35,467	2,021
Net earn.	27,001	25,081	1,920
Five Mos. end. Aug. 31:			
Gross earn. ...	174,464	169,009	5,455
Net earn.	118,300	113,591	4,709

Manitoba Power Co.

July:	1934 $	1933 $	Increase $
Gross earn. ...	105,790	101,404	4,386
Oper. exp.	24,644	22,714	1,930
Net earn.	81,146	78,690	2,456
Seven Mos. end. July 31:			
Gross earn. ...	739,544	719,369	20,175
Oper. exp.	159,402	159,112	290
Net earn.	580,142	560,257	19,885

Business Briefs

Sir Francis Floud, new British High Commissioner in Canada, will arrive in Ottawa about January 1, according to reports. Sir William Clark, former commissioner, has already left for Britain.

Iron Ore production in August was 41,485 tons as against 36,759 tons in July and 35,233 tons in August, 1933.

Steel Ingot production in August was 63,504 tons as against 66,647 tons in July and 48,659 tons in August, 1933.

Failures in the week ended Sept. 15 numbered 14 as compared with 18 in the corresponding week of 1933. Failures to date number 680 as against 1,136 in 1933, a decrease of 40 per cent.

Chandler Mill to Reopen On Non-Competitive Lines

From Our Own Correspondent

MONTREAL.—Steps are now being taken for the early reopening of the Chandler Pulp Mill, formerly owned by the St. Lawrence Pulp and Paper Corp. and the Bonaventure Pulp and Paper Co. It will be recalled that this property was recently put up for public auction and sold to interests identified with Canadian Celanese.

Present plans are to manufacture a new product, intended mainly for export, and will not compete with the production of existing mills.

The equipment of the Chandler mill includes four digesters and four wet and one dry machine. It has a capacity for the production of 300,000 pounds of strong sulphite pulp per day.

RAILWAY AFFAIRS CLOSELY STUDIED SAYS E. W. BEATTY

People Determined to Have Solution — Comments on West

From Our Own Correspondent

MONTREAL.—A widespread awakening to the seriousness of the railway situation was noted by E. W. Beatty, chairman and president of the Canadian Pacific Railway, on his inspection tour through the Western provinces. "I was encouraged to find," he said in an official statement, "a very evident determination to have something effective done about it. I return from the West even more strongly convinced that those who so glibly dismiss the matter with the statement that the people of Canada would not even consider railway unification for operation purposes, as I have proposed it, are singularly ill-informed upon what is going on in the minds and conversations of the people of the country."

Coast Looking Up

Dealing with economic conditions as he found them in the West, Mr. Beatty said:

"British Columbia is beginning to feel the general trend toward more satisfactory conditions. Industries are somewhat more active and a decided increase in tourist and general traffic has been helpful. The greater volume of business done by the company's hotels at Banff and Lake Louise and the other mountain resorts has been most encouraging. Fruit growers in the southern part of the province have had reasonably good crops and they look forward to satisfactory marketing conditions and better prices. They are also looking for helpful results from the workings of the new marketing act. In several parts of Alberta we saw excellent fields of wheat and other grains and it was clearly apparent that the situation in that province was generally brighter than for some time.

Peace River Impressive

"We were particularly impressed by conditions in the Peace River country," said Mr. Beatty. "The developments that have taken place there since we visited it four years ago effectively confirm the favorable impressions received when first we travelled over those northern lines. The past four years have witnessed greatly increased settlement, and the country with its rolling, well-wooded hills is more and more taking on the appearance of the older parts of Ontario on a somewhat larger scale and during the period of its earlier development. New and well constructed buildings reflect the permanent nature of the growth of towns and villages scattered along the railroad. Everywhere one sees fine farms in a high state of cultivation and it is remarkable how many of the farmers have abandoned the original log cabins and built pleasant farm houses all of which are surrounded by excellent gardens in which vegetables and flowers do amazingly well. It is quite apparent that the settlers have gone there with a firm determination to make it a permanent home land. Crops generally are excellent and in many districts phenomenally good. Yields of wheat running well over fifty bushels to the acre are not uncommon and there are plenty of fields averaging above a hundred bushels of oats. Some threshing has been done but what is needed now is sunshine and wind to dry out the stooks and allow threshing to proceed. Large numbers of stock range the fields and these are in excellent condition.

Grain Marketing Hopeful

"Northern Saskatchewan has had, as usual, an excellent supply of moisture. In some places, perhaps there has been too much. The net result is seen in fair to good crops almost everywhere. Here again there has been a steady movement of settlers into the country who are new to that area. The greater part of Manitoba has also done fairly well. The chief factor, of course, in improved conditions throughout the country and in the reviving confidence in the future which one meets almost everywhere is found in the bettering prospects for the marketing of grain and the higher prices now prevailing. We had hoped to visit outlying parts of the country by motor car, but continuous rains had their natural effect upon new roads and that part of the trip had to be largely abandoned.

Electricity Demand Upward in August

From Our Own Correspondent

MONTREAL.—Shorter days and increased pulp and paper production are reflected in the consumption of electric energy in Canada last month. According to report prepared by the Dominion Bureau of Statistics, consumption amounted to 1,542,754,000 kw.h. This compares with 1,515,448,000 kw.h. in the previous month and with 1,398,624,000 kw.h. in August, 1933.

The relative consumption of electrical energy by the five main economic areas for August, 1934 and 1933, is shown in thousands of kilowatt hours in the following table:

	August, 1934	1933
Maritimes ...	62,864	54,291
Quebec	691,320	649,229
Ontario	559,645	500,973
Prairies	108,220	97,701
B. C.	120,705	96,430

CENTRAL ELECTRIC STATIONS' OUTPUT HIGHER IN AUGUST

Below Six-months Average But Well Ahead of Last Year

From Our Own Correspondent

MONTREAL. — Central Electric Stations in Canada report a seasonal recession in output during August. Though there was a gain of 2.3 per cent over the July returns, the daily average output last month was below the average of the previous six months.

In a report published by the Dominion Bureau of Statistics, it is shown that the output of central electric stations last month amounted to 1,658,742,000 kw.h. This compares with 1,621,314,000 kw.h. in the previous month and with 1,508,216,000 kw.h. in August, 1933.

The amount of energy generated by water power last month totalled 1,630,630,000 as against 1,483,131,000 in August last year. Fuel plants produced 28,112,000 kw.h. last month, a gain of slightly better than 3,000,000 kw.h. in comparison with the same month in 1933.

Output by Areas

Particulars of the output in August, 1934 and 1933, follow:

(Thousands of Kilowatt Hours)

	— August — 1934	1933
Generated by Water Power—		
Maritimes	50,168	43,785
Quebec	893,365	865,746
Ontario	472,388	392,773
Prairies	92,724	83,178
British Columbia	121,985	97,649
Generated by Fuel—		
Prairies	14,176	13,296
Other provinces	13,936	11,789

Export Demand Better

There was a slight improvement in the export demand for energy last month, deliveries amounting to 115,988,000 kw.h. This compares with 105,866,000 kw.h. in the previous month and with 109,592,000 kw.h. in August, 1933.

Boiler Deliveries Greater

Last month the pulp and paper industry reported a substantial increase in production, in fact, a condition which is reflected in the demand for energy. Deliveries to electric boilers totalled 351,103,000 kw.h., a gain of approximately 7,000,000 kw.h. over the previous month and nearly 65,000,000 kw.h. over August, 1933.

The distribution of deliveries to electric boilers by economic areas for August, 1934, and August, 1933, follows:

(Thousands of Kilowatt Hours)

	— August — 1934	1933
Maritimes	3,267	1,271
Ontario	279,653	244,788
Ontario	64,622	39,807
Manitoba	3,423	1,241
British Columbia	138	120

Manitoba Power Net Higher During July

From Our Own Correspondent

MONTREAL. — Manitoba Power Co., subsidiary of Winnipeg Electric Co., reports gross earnings for last July of $105,790, an increase of $4,386 over the same month a year ago. Operating expenses advanced by $1,930, so that net earnings of $81,146 were $2,456 greater than in July, 1933.

For the first seven months of the current year, Manitoba Power had a gross income of $739,548 and net earnings of $580,142. For the same period last year, the company's income was $719,369 and net income $560,257.

TRADE MARK

Canadian Industrial Alcohol
Company, Limited
manufacturers of
Maple Leaf Industrial Alcohol . Ethyl Alcohol Cologne Spirits
Denatured Alcohol and Maple Leaf Anti-freeze.
Also operating a Chemical Division Manufacturing
Wood Alcohol, Acetate of Lime, Charcoal
Wood Tars, Wood Oils, and other Chemicals
Controlling and Operating
Consolidated Distilleries Limited
Wiser's Distillery Limited
Robert McNish & Co., Limited
Glasgow, Scotland
Distillers and Bottlers in Bond since 1859
Canadian and American Ryes and Bourbons,
London Dry Gins, Domestic and Imported Scotches,
also
J. M. Douglas & Co., Limited
Importers of Wines and Spirits.
TRADE MARK
MONTREAL CORBYVILLE TORONTO WINNIPEG VANCOUVER

Tourist Traffic Up 6.4 Per Cent Over Last Year

Automobile tourists entering Canada during the period from April 1 to August 10 showed an increase of 6.4 per cent over the same period of last year, according to an analysis made by The Financial Post of figures appearing in the current issue of the National Revenue Review. Altogether 206,500 tourists obtained 60 day permit at the leading ports of entry as compared with almost 194,000 last year. Other permits are, of course, obtainable for 24 hours and for six months, but the bulk of the tourists register for 60 day periods.

In a list of representative ports of entry only Trout River, Province of Quebec, and Huntingdon, British Columbia, report fewer 60 day permits issued than last year. These losses as far as the provinces are concerned are offset by increases at Rock Island, P.Q. and at Boundary Bay, Douglas and Pacific Highway, B.C.

More than half the total recorded in this partial survey entered through the ports of Niagara Falls and Windsor, Ontario. At the former port the total was 56,306 as compared with 50,945 last year, while at Windsor, 72,903 60-day permits were issued as compared with 71,690 in 1933.

Summary of permits issued by ports appears below:

60-Day Permits Issued to Tourists

	Season to Approx. August 10 1934 No.	1933 No.
St. Leonard, N.B.	3,369	2,096
St. Stephen, N.B.	7,927	6,576
Rock Island, P.Q.	11,056	9,453
Trout River, P.Q.	4,427	6,459
Niagara Falls, Ont.	56,306	50,945
Windsor, Ont.	72,903	71,690
Aldergrove, B.C.	4,477	3,107
Boundary Bay, B.C.	5,621	4,988
Douglas, B.C.	10,357	10,081
Huntingdon, B.C.	7,457	7,790
Pacific Highway, B.C. ..	22,599	20,761
Total	206,499	193,946

HARRISON HOTEL CO. BUSINESS IMPROVES

Dividends on Preferred Stock Not to be Resumed at Present

Business of Harrison Hot Springs Hotel Co. in the current year is reported to show an increase of approximately 15 per cent over the 1933 level. The improvement is expected to continue.

While the company's business has been getting better, there is apparently no intention at present to resume payment of dividends on the $300,000 of seven per cent preferred stock on which dividends have not been paid since July 1, 1931. The improvement in revenue, it is understood, is to be devoted to reducing liabilities and improving the working capital position which has been unsatisfactory. It is reported that $38,000 in liabilities have been cleared off in the past three years.

The preferred shares have the sole voting rights in the company because of the arrears of dividends. The company is understood to have maintained its property and equipment in good condition during the depression.

East Kootenay Power Income Registers Gain

From Our Own Correspondent

MONTREAL. — East Kootenay Power Co., controlled by Power Corp. of Canada, reports better earnings last month compared with August, 1933. Gross earnings amounted to $37,488, an increase of $2,021 over last year. While there was a moderate increase in operating expenses, net income at $27,001 was $1,920 greater than in August, 1933.

Cumulative returns for the five months to August 31, 1934, show gross income at $174,464, as compared with $169,009 for the corresponding period of the previous year. After providing for operating expenses, net earnings totalled $118,300 compared with $113,591 last year.

5% or More

The problem of obtaining 5% interest or more on investments, together with the required security is one that is becoming more difficult as interest rates continue their downward trend.

There are however, many sound securities of Canadian public utility and industrial companies which may be purchased at prices to yield this rate.

We have prepared a circular describing a number of securities of this type, providing an attractive investment field for those desiring substantial interest returns.

Copy gladly forwarded upon request.

Wood, Gundy & Company
Limited
Toronto 36 King Street West Vancouver
Montreal Toronto New York
Winnipeg PHONE: ELGIN 4321 London, Eng.

Port of Halifax Tonnage Greater During August

From Our Own Correspondent

MONTREAL. — Halifax Harbor Commission reports that during last month 458 vessels entered and cleared the port compared with 425 for the same month last year and 424 in August, 1932. The net registered tonnage is reported at 524,088 tons, as against 450,770 and 724,473 tons in August, 1933 and 1932, respectively.

Since the beginning of this year the total number of vessels arriving at and departing from Halifax is reported at 3,393. This compares with 3,680 for the same period of 1933 and 3,691 for the first eight months of 1932.

The total cargo tonnage handled inward and outward during last month amounted to 128,403 tons, as against 177,310 tons for the same month last year, and 110,205 tons for August, 1932.

Since January 1, 1934, the total cargo tonnage handled by the port amounts to 1,371,534 tons. This compares with 1,068,593 tons for the first eight months of 1933.

Public Utility Earnings

Brazilian Traction

August:	1934 $	1933 $	Increase $
Gross earn. .	2,722,061	2,527,084	194,977
Oper. exp. ..	1,254,540	1,116,172	138,368
Net earn. ...	1,467,521	1,410,912	56,609
Eight Months:			
Gross earn. .	19,832,323	18,911,298	921,025
Net earn. ..	10,261,953	10,379,678	*117,725

*Decrease.

DEVELOPMENT

● Universities lend their resources for research work in the manufacture and utilization of gas. National associations maintain laboratories to ensure that every gas appliance offered to the consumer is as efficient as it can be made. Individual gas companies employ staffs of experts to study the demands and problems of their particular districts.

No avenue of development is left unexplored. The insistent demand for a quick, clean heat for homes and industry must be fully met.

From the smallest pilot flame in the home to the largest industrial installation, every gradation of heat is available to the gas user— heat under safe, easy and accurate control.

THE
CONSUMERS' GAS
COMPANY
OF TORONTO

News of Investment Markets

DOMINION LOAN DOMINATES BONDS BRINGS LOSSES

Quebec Issue Most Recent Competition for Ottawa

Interest in the bond market was centred chiefly on the forthcoming Dominion loan in the week ended Sept 26. Fractional losses were recorded in Dominion issues as the details of the loan became known among bond dealers and they started their sales campaigns for the new loan.

The city of Quebec sold $1,121,000 of five-year serial bonds and $2,578,000 of 16-year 4½'s on an average cost basis of 4.53 per cent on Sept. 21. The long term bonds were offered at 100 by the syndicate headed by Banque Canadienne Nationale on Sept. 25. Thus, competitive offerings of other borrowers have been made up to within a few days of the Dominion's loan, adding strength to the Ottawa case for regulation of flotations in Canada.

Western provincial bonds were fractionally firmer in the week, with the exception of B.C. issues which are conceded to have been weakened by the proposal of the province to allow municipalities to make broad debt settlements with creditors.

Industrials Softer

Corporation bonds have been weakened somewhat by the increase of the premium on the Canadian dollar in New York. Issues payable in both Canadian and American currencies have consequently suffered small losses. Recoveries were recorded in C.P.R. 5's of 1954 which were up 1½ points to 95 bid and International Hydro 6's of 1944. The latter issue lost 11 points due to recent deferring of the preferred dividend, but regained 6½ points in the last week. Gypsum, Lime 5½'s were two points better at 79½ bid.

Decline Shown

The yielding of gilt-edged issues to the pressure of the forthcoming Dominion loan is shown in the figures below:

Average Yield and Price on Seven High-Grade Canadian Bonds

1934	Yield %	Price $	1933	Yield %	Price $
Sept. 25	3.766	110.64	Sept. 25	4.453	103.39
Sept. 24	3.739	110.92	Sept. 23	4.444	103.49
Sept. 22	3.741	111.00	Sept. 22	4.444	103.49
Sept. 21	3.741	111.00	Sept. 21	4.441	103.55
Sept. 20	3.747	110.96	Sept. 20	4.427	103.66
Sept. 19	3.747	110.96	Sept. 19	4.397	104.07
Sept. 18	3.750	110.94	Sept. 18	4.381	104.16
Sept. 17	3.739	111.08	Sept. 16	4.373	104.26

Winnipeg Electric Cuts Deficit During August

From Our Own Correspondent

MONTREAL.—Winnipeg Electric Co. reports a smaller deficit in August, 1934, after providing for fixed charges than was the case in the same month last year. Gross income was higher and after covering operating expenses, there was a balance of $76,681 left to take care of fixed charges totalling $110,709, resulting in a deficit of $34,027. For the same month in 1933 net earnings available for interest totalled $62,604 and fixed charges $109,995, leaving a deficit of $47,350.

For the first eight months of 1934 net income after all charges amounted to $4,544. While this is a relatively small amount, it is substantially better than in the corresponding months of 1933 when a deficit of $70,704 was recorded. Gross income this year is a bit better than in 1933, while operating expenses have declined. Fixed charges, on the other hand, have declined from $901,572 to $886,279, with the result that net earnings to date have been sufficient to cover this charge.

Charles Gurd Sales Better Than for 1933

From Our Own Correspondent

MONTREAL. — Cool weather in the past few weeks has been a drawback to the sale of Charles Gurd & Co. carbonated beverages. Though sales conditions of late could be improved on, A. McA. Murphy, president of the company, stated that results during the first half of the year were better than last year. Competition was not so keen, as a portion of the price cutting was eliminated.

Offer $250,000 of Bonds For Religious Order

Lucien Côte Inc, Quebec, is offering $250,000 of 4½ per cent first mortgage bonds of the Sisters of the Holy Names of Jesus and Mary at par, yielding 4½ per cent.

The purpose of the issue is to fund the costs of reconstruction of the convent of the order at Valleyfield, Que., which was destroyed by fire. The new building, said to be fireproof, is almost completed.

Parish Pays Interest Overdue Since 1932

Parish of St. Joseph d'Alma, Que., has been authorized by the Quebec Municipal Commission to pay interest on coupons due May 1, 1932, on bonds issued under by-law 12 and on coupons for Nov. 1, 1932, on the issue under by-law 14.

Creditors have been requested to present these coupons for payment.

Canadian Western Lumber
Statement of Lumber Manufactured, Sales and Price Realized

July—	1933 feet	1934 feet	Decrease feet
Lumber mftd.	8,082,007	8,649,300	*567,293
Lumber sold	12,154,679	8,442,500	3,712,179
Price realized	$168,015	$138,714	$29,301
Lumber mftd.† ...	65,434,157	62,666,252	2,767,905
Lumber sold†	69,973,711	61,935,271	8,038,440
Price real'd† ..	$848,012	$1,051,093	....

* Increase.
† From Jan. 1 to end of July.

Investment Notes

Significant Investors' Index Numbers
1926 = 100

No. of Securities:	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's 113
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	68.5	23.7	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	83.8
February	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	58.0	88.7
March	113.6	13.2	77.1	152.2	76.3	129.4	141.8	128.5	58.0	90.3
April	114.9	13.2	75.2	159.4	76.8	134.3	138.0	133.0	58.1	93.4
May	106.9	13.8	74.3	159.0	79.1	129.9	113.8	128.0	56.7	91.1
June	104.7	12.5	74.1	161.9	77.7	128.1	113.5	126.1	54.5	89.8
July	97.8	10.5	72.4	153.8	72.7	123.3	86.7	116.6	50.6	83.1
August	100.7	9.9	73.2	158.0	73.1	125.5	91.3	120.1	51.2	85.9
Weekly Figures, 1934:										
Sept. 6	98.7	8.9	74.1	159.5	72.8	131.8	115.7	122.1	50.8	91.1
Sept. 13	96.2	8.9	72.5	155.5	72.3	129.6	109.6	118.8	49.9	89.1
Sept. 20	96.7	9.0	72.4	157.4	71.2	127.0	107.4	118.5	49.5	88.6

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Sept. 25 close	96.35	127.05	84.77
Sept. 24 close	95.46	127.43	85.69
Week ago	93.48	125.06	85.58
Month ago	97.79	128.80	90.13

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Sept. 25 close	61.8	54.1	56.7
Sept. 24 close	61.3	54.0	56.4
Week ago	61.3	53.6	56.2
Month ago	64.2	55.5	58.4

Crow's Nest Earnings Gain

WITH another dividend on capital account of $2 a share Crow's Nest Coal Co. has paid $4 a share out of special depletion reserves in 1934, twice as much as in 1932 and as in 1933. This is believed to reflect improved earnings because of larger orders from the Canadian Pacific Railway Co. and increasing business in supplying coke to the Winnipeg Electric Co. Fifty thousand tons coke annually formerly bought by Winnipeg Electric Co. from the United States now comes from this company.

* * *

Ford's Swift Comeback

THE swift comeback of sales of Ford Company of Canada cars is attracting more than ordinary market attention. It is the only one of the great companies whose stock is sold on Canadian exchanges but aside from that altogether the trader cannot forget that Ford's success was at one time the great phenomenon of the industry. A large number have taken positions in this stock in the hope that the future will repeat the past.

A rise in sales is all the more interesting because other traders have been saying, "Yes, it is true that Henry Ford first developed the standardized low cost production technique in the automobile industry. He applied the conveyor system of manufacturing to automobile plants, permitting minute specialization of labor and greatly increased speed in output. He was also the pioneer in establishing conveyor assembly with a consequent reduction in transportation costs; he reduced costs so much as to bring automobile transportation within the reach of the great mass of buyers. That is all true, but whereas between 1919 and 1923 he sold more than 60 per cent of all motor cars on this continent, there has gradually grown up strong competition and his percentage of total sales is not so high as it used to be. It is true that he turned over from the old Model T to the Model A cars but he has come over to the ground of the other manufacturers. However well he may do on that ground, he will only be one of many and he can never hope to forge ahead on the old scale."

Perhaps the critics and the enthusiasts are both right. General Motors continue to do well as chief competitor with its Chevrolet and other cars in the new period of active sale, for instance. But Ford apparently showed considerable wisdom in not pressing the market during the first depression years. Since he really started after business in 1933 and 1934 he has been getting it. Even if he never overtook the old percentage he still might easily in some active year exceed the old record volume.

Ford Company of Canada has important potentialities in Canada and the British Empire. All agree to that and it does not exclude the fact that others may have excellent prospects also in the long view.

* * *

Simplifying Cyanamid Structure

AMERICAN CYANAMID CO., whose securities are listed on the Toronto Stock Exchange, has just completed a number of mergers and reorganizations of subsidiaries. The following have been eliminated altogether:

American Cyanamid Sales Co., American Powder Co., Beetleware Corp., Catalytic Process Corp., Chemical Engineering Corp., Fumigation Service, Inc., Fumigators Supply Co., Inc., General Explosives Corp., Gypsteel Construction Co., Heller & Merz Corp., The Kalbfleisch Corp., Maryland Chemical Co. Inc., Owl Fumigating Corp., The Baritan Valley Land Co., The Selden Research and Engineering Corp., Structural Gypsum Corp., and Synthetic Plastics Co. Inc.

As a result of the reorganizations, American Cyanamid Co., and its wholly owned subsidiary, Amalgamated Phosphate Co., will conduct the fertilizer business. The parent company will also directly operate the mining chemical business and the "Beetleware" business.

American Cyanamid & Chemical Corp., through its various departments and divisions, will directly operate the business in heavy chemicals, industrial chemicals, paper chemicals, explosives, insecticides and gypsum.

The Calco Chemical Co., Inc. and subsidiaries will continue to conduct the business in dyestuffs, organic chemicals and its pharmaceuticals. It will take over Heller & Merz activities.

Lederle Laboratories, Inc. will continue to conduct the business in biological products for human and veterinary use such as antitoxins, serums, vaccines, gland products, Bacillus Acidophilus Milk and pharmaceuticals; and its subsidiary, Davis & Geck, Inc., will continue to devote itself exclusively to the business in surgical sutures and ligatures.

The two engineering companies, Chemical Engineering Corporation and Chemical Construction Corporation, have been merged, and the joint business will hereafter be conducted by Chemical Construction Corporation, in which a "Nitrogen Division" has been created to carry on the business formerly conducted by Chemical Engineering Corporation.

Ontario Hydro Trebles Power Secondary Load

Summary of loads of Hydro-Electric Power Commission of Ontario for the month of August shows a 4.8 per cent increase over the same month in 1933 in the total primary load of all systems as measured by the maximum 20-minute peak horse power. It was a 4.9 per cent increase for the Niagara system which distributed 791,421 horsepower out of the total of 990,672 horse power and there was a 40.2 per cent increase to 45,188 horsepower for Northern Ontario. The grand total was pulled down on account of a 23.6 per cent decrease because Abitibi Power & Paper Co. closed its Thunder Bay paper mill in July so that in August only 43,164 primary load horsepower was required.

The activity in 1934 of the commission in placing secondary power is illustrated by the fact that the total of primary and secondary load in August for all systems went up 27 per cent to 1,366,175 horsepower as compared with August in 1933. Even the Niagara system had a 22 per cent increase to 1,068,767 horsepower when both primary and secondary load is considered. This shows the secondary load increasing in the course of one year for the Niagara system from 121,984 horsepower to 277,346 horsepower, or more than double. Even in the Thunder Bay district five times the secondary load was placed that was placed in August, 1933. It ran up from 8,204 horsepower to 40,616 horsepower, or half the total power placed. In Northern Ontario the secondary load ran up from nothing to 30,956 horsepower.

The total secondary load of 375,503 horsepower for all systems is almost three times what it was a year earlier

QUEBEC CHARITY BONDS SURVEYED

Comprehensive Report Issued by L. G. Beaubien and Co.

From Our Own Correspondent

MONTREAL.—Bonds and debentures fully subsidized by the Province of Quebec under the Public Charities Act is the title of a booklet prepared for distribution by L. G. Beaubien and Co., investment bankers of Montreal. For a long time there has been a great deal of misunderstanding in relation to the purpose and security back of the bond issues put out under this act.

The survey prepared by L. G. Beaubien and Co. has been designed to provide a clear and comprehensive picture of the position held by these bonds and debentures in the Canadian financial field. After describing the development of public charity in Quebec, particulars are given as to the manner in which the charitable institutions came under the wing of the provincial government. Following the 1924 amendment to the Public Charities Act, the institutions entered the capital market.

The manner in which the Public Charities Fund is administered, its sources of revenue, etc., are fully outlined. Space is also given to the fact that these bonds and debentures are suitable for insurance and trustee funds.

About half of the booklet is given over to extracts of legal opinion by counsel in connection with the bonds subsidized by the Province of Quebec, the irrevocability of the grants, and the steps taken to maintain a sufficient balance in the Public Charities Fund.

Cut Flowers First

The value of cut flowers sold in the Dominion in 1933 represented 62 per cent of the total of the various categories of floricultural and decorative plants.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Cost
Quebec City	Sept. 21 ..	Banque Can. Nationale and Syndicate ..	4%	5-ser.	$1,121,000	99.05	4.53%
			4½%	16 yrs.	2,578,000	98.18	
Sorel, Que.	Sept. 17 ..	Gairdner & Co., Montreal	5%	40-ser.	225,000	95.58	5.27%
Drummondville, Que.	Sept. 18 ..	Wood, Gundy & Co.	4½%	1935-64 ser.	40,000	96.579	4.83%
			4½%	1935-59 ser.	37,100		

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date		Rate	Class	Amount	Price	Yield
O'Brien Gold Mines	Sept. ..	Nesbitt, Thomson & Co.	....	....	......	$1	....
Springer Sturgeon Gold Mines ..	Sept. ..	Cameron, Pointon & Merritt	....	....	600,000 shs.	..	....

OFFER $37 SHARE CLASS A STOCK BY INTER. PROP.

Believe British Buyers to Wind Up Company

MAKE U. K. ISSUE

Bulk of Old Stock Understood Already Bought in at Around $35

International Proprietaries will offer holders of A shares $37 per share for their stock, in the near future, it is officially announced. This offer applies to all holders throughout the world except those in the United Kingdom and payment is to be made in Canadian funds. The announcement follows the sale of control of the company by the Harold F. Ritchie estate to English interests represented by the London and Yorkshire Trusts.

The principal asset of the company is the J. C. Eno Co., which was purchased from the Eno family in Great Britain by the late Harold F. Ritchie in 1928 for a price said to be in the neighborhood of $7,500,000.

Wind up Company

Apparently the recent announcement indicates that the former Canadian company is to be wound up. The Financial Post understands that buying of this stock has been proceeding quietly for some time by English interests and there are not more than four or five hundred of the old shareholders left. Gradually in the last few weeks the price has risen from slightly over $34 to over $36.

Originally 210,000 shares of this ordinarily non-voting, non-callable, $2.60 cumulative dividend stock was issued. It was offered through Dominion Securities Corp. at $40 per share. When the company was enlarged by extensions in South America and Australia additional stock was sold, so that a total of 223,265 shares were outstanding at Dec. 31, 1933.

A Big Deal

Assuming that these outstanding shares will cost the new owners in the neighborhood of the $37 being offered, the total purchase price for this stock alone would be approximately $8,250,000. This plus the unknown price the London and Yorkshire Trusts paid the Ritchie Estate for control of the 112,500 shares of voting B stock would represent the new purchase price. As the two stocks rank equally in liquidation of assets and on this basis were valued at $28.05 at the end of the last fiscal year, it would seem that the B stock must have been worth a considerable amount, though the dividends paid on B in the last five years have totalled only $4.64 compared to $13.58 on the Class A.

Just what will happen to the Class A shares not turned in is a debatable point. The price to be offered shortly is three dollars below what was paid for them by investors six years ago but it is a full dollar above market quotations of the last few weeks. At the average rate of dividends of the last five years the holder has been receiving almost seven per cent on an investment now judged to be worth $37.

Float English Issue

While no reason for the purchase of Class A stock has been given by the Toronto representative of the new owners it is reported in English financial circles that Enos is to be turned into a public company and that the London and Yorkshire Trust will make an offer of shares. Low yielding bonds could hardly be issued in sufficient quantities as the real value of a company such as this consists largely of good will. The latter was valued at over $6,000,000 in the last balance sheet issued. Preferred stock yielding around 4½ per cent, however, in the place of the present Class A would lop about one third off the $600,000 in annual dividends now being paid on the senior stock.

Unsold Shares

If present holders refused to sell at the price being offered, it has been pointed out that they would probably lose the present fairly active market for their securities as the stock is not listed on any Canadian exchanges. If six quarterly dividends become in arrears this stock carries voting rights with Class B, but this protection, it is pointed out, would not be very important with only a small part of the shares outstanding.

Bond Sales

City of Quebec

City of Quebec has sold $3,699,000 of bonds to a syndicate headed by Banque Canadienne Nationale. One block of $1,121,000 of four per cent, five-year, serial bonds was sold at 99.05 and $2,578,000 of 16-year 4½'s brought 98.18. The average cost basis was 4.53 per cent. The 16-year bonds are being offered at 100. The syndicate includes Banque Canadienne Nationale; Wood, Gundy & Co.; C. H. Burgess & Co.; L. G. Beaubien & Co.; E. Savard Ltée.; René T. Leclerc Inc.; Dubé, LeBlond & Co.; Lucien Coté Inc., and Lagueux & Darveau.

Drummondville

Town of Drummondville, Que., has sold $77,100 of 4½ per cent debentures maturing in from 11 to 30 years to Wood, Gundy & Co. at 96.579, a cost basis to the town of about 4.83 per cent. Bids were as follows:

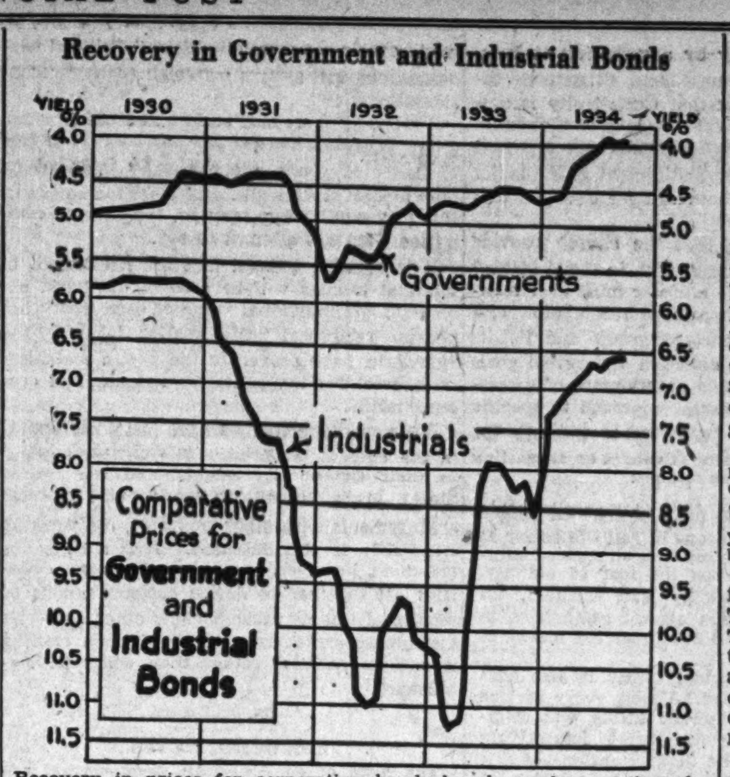
	Bid
Wood, Gundy & Co.	96.579
E. Savard Ltée., Banque Can. Nationale	96.09
Hanson Bros.	96.07
L. G. Beaubien & Cie, Bk. of Montreal	95.125
Credit Foncier	95.073
A. E. Ames & Co.	94.298

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Calgary Brew.	§5%	1942	Nov. 1	105
American Sales Book Co.	*5%	1939	Oct. 1	103
Dom. Canners ..	†5%	1940	Oct. 1	110
Investors Equity Corp. Ser. A	5½%	1949	Oct. 1	104
Northern Electric	5%	1939	Dec. 1	105
Riordon Pulp‡	6%	1942	Dec. 31	105

* $250,000 for retirement.
† $85,000 for sinking fund.
§ Purchase of bonds for sinking fund.
‡ $74,600

Recovery in Government and Industrial Bonds



Recovery in prices for corporation bonds has been sharper than for government bonds. But high-grade government issues are far above the 1930 level, whereas corporation bonds are not, the latter having been more depressed at the start of the recovery movement. The Dominion's 1934 refunding loan, therefore, will have a favorable market. The chart, prepared by McLeod, Young, Weir & Co., shows the comparative recovery of government and industrial issues. The index for industrial bonds is compiled from data on eight issues provided by The Financial Post. Index of government bond prices is based on the yield on long term Ontario loans.

BAWLF GRAIN REGISTERS GAIN IN 1934 PROFIT

Surplus After Charges Used to Strengthen Finances

From Our Own Correspondent

MONTREAL. — Operating profits of N. Bawlf Grain Co. for the fiscal year ended July 31, 1934, were the best reported by the company since 1929, having amounted to $194,918, as against $63,898 in the previous year.

The management has continued its policy of strengthening the company's financial position. Through a liquidation of part of the inventories bank loans have been reduced by nearly $1,000,000, while the surplus of earnings after taking care of bond interest and one or two small charges, was allocated to the depreciation reserve, resulting in an improvement of working capital.

Carried Forward Surplus

Particulars of the profit and loss account for the past two years follow:

	1934 $	1933 $
Oper profit	194,918	63,898
Less: Depreciation ...	141,525	51,671
Bond int.	25,864	33,993
Property adj.	9,864	7,520
Tax prov.	4,800	......
Net profit	13,043	*29,286
Prev. surplus	403,507	432,793
Carried forward	416,551	403,507

*Deficit.

Working Capital Position

	1934 $	1933 $	1932 $
Curr. assets ..	1,655,469	2,531,063	1,128,426
Curr. liabs. ..	1,345,393	2,361,968	927,476
Work. cap. ..	310,076	169,095	200,950

Reduce Bank Loans

There are only one or two changes of importance in the balance sheet dated July 31, 1934. During the year the company reduced inventories from $2,365,389 to $1,505,856. This step was reflected in a reduction of bank loans from $2,198,000 to $1,156,000. The funded debt was reduced by $35,000 to $370,000, through redemption of a like amount of Bawlf Terminal Elevator Co. bonds. Other changes in the balance are of little importance.

Expect Smaller Volume

In commenting upon the outlook for the company, W. R. M. Bawlf, president, had the following to say:

"As indicated in the last annual directors' report your elevators were situated in districts in the Province of Saskatchewan where crop yields were above average, resulting in excellent grain handles as against poorer conditions existing in Alberta during the season just passed. This year the situation appears to be somewhat reversed with generally good crop conditions in Alberta, but a smaller elevator handling than last year may be expected in the other two provinces, especially with respect to coarse grains, which crops have suffered materially through dry weather and frost. It is gratifying to note the excellent patronage your elevators have received at all stations, indicating that the marketing facilities provided by the company are appreciated by the large number of its farmer producer customers."

Shareholders Approve Harding Carpets Change

A reorganization of the capital of Harding Carpets Ltd. was approved at a special general meeting of the shareholders this week. Under the plan 20 shares of new common stock will be exchanged for one share of the old preferred with accrued dividends. For the old common the new shares will be exchanged on a one-for-one basis.

The outstanding capital will then be represented by 170,000 common shares of no par value, and it is proposed to increase the authorized capital to 300,000 shares, which will leave 130,000 shares in the treasury available for use in future development.

Dominion Square Corp. Will Pay Apr. '33 Interest

From Our Own Correspondent

MONTREAL. — Holders of Dominion Square Corp. first mortgage 6 per cent bonds have been notified that on October 1, the corporation will make payment of the installment of interest which became payable on April 1, 1933.

Such payment, it is announced, will be made at the option of the respective holders in Canadian funds at the principal offices of the Bank of Montreal in the Dominion or in United States funds at the head office of the National City Bank of New York City. The bondholders committee will arrange for collection and payment of interest for holders of deposited bonds.

CANADA NORTHERN OPERATIONS GROW FOR PAST MONTH

Output and Earnings Well Ahead of August, 1933

From Our Own Correspondent

MONTREAL.—Further expansion in operations and earnings is indicated in the August report of Canada Northern Power Corp., controlled by Power Corp. of Canada.

Gross income last month totalled $350,198, a gain of $46,404 over the same month in 1933. Operating expenses registered an increase, but net earnings at $224,342 were $12,756 more than last year.

For the first eight months of the current year, cumulative returns show a gross revenue of $2,693,557 and net income of $1,787,968. As compared with the same period last year, operating income increased by $302,592 and expenses by $174,337, leaving a net increase of $128,255.

Power Output Higher

Power output for August, 1934, amounted to 45,979,107 k.w.h. compared with 39,732,590 k.w.h. in the corresponding month last year. This represented an increase of 15 per cent and brought the cumulative figures for the year up to 345,045,763 k.w.h., an increase of 35,487,293 k.w.h. over the same eight months period of 1933.

Last month Canada Northern Power added 190 new customers to the list, bringing the total as at the end of August to 14,043. At the same time last year the company was serving 12,955 customers.

GAIN IN SALES BY BEATTY BROS. IS MAINTAINED

Average Over 20 Per Cent Above Previous Fiscal Year

Sales of Beatty Bros Ltd., which at the end of May were reported running over 20 per cent above the same period in 1933 continued at this rate to the end of the company's fiscal year on Aug. 31, The Financial Post understands. As a result a good showing is anticipated in the annual report which should appear early in December. Sales have shown practically continuous monthly gains since June 1933, it is understood, and the main factories at Fergus have been working full time since the beginning of the year.

Earn Dividends

While definite figures are not yet available it is believed that in the place of an operating loss of $158,303 after depreciation and bad debt reserve reported in 1933, there should be earnings more than sufficient to meet dividend requirements on the first and second preferred stock but little hope is held out for a resumption of dividends on the common which were discontinued in 1932.

Sales of this company, which manufactures a very extensive line of household and barn equipment are about evenly divided between the rural and urban districts with a considerable export to the United Kingdom and New Zealand. The recent improvement in business, it is understood, applies to all lines fairly generally and also to the export market.

Marine Shell Project Planned at Toronto

In anticipation of finding a wide market in Canada, a test shipment of 1,500 tons of marine shell from Labrador arrived at Toronto harbor last week.

Sponsored by Thomas Smythe, who controls large areas in which this material is found in its natural state, the shipment was sold to a syndicate who plan eventually to erect a small processing plant at Toronto for the manufacture of a finished product. Manager of the new concern in Toronto will be Charles Saessler.

Value of the Labrador shell lies in its high calcium content and solubility. It will compete with the 30,000 to 40,000 tons of oyster shell products now imported into Canada from the United States. Chief uses to which the shell are put are in the manufacture of poultry food and fertilizer. It is planned to produce three sizes of finished product at Toronto.

Some 45 islands at Little Harbor Island, Labrador, containing what is estimated to be an inexhaustible supply of the raw material are leased by Mr. Smythe, who is planning to market it also in the United States and Great Britain.

Better Report Can. Bakeries Now Expected

Improvement in operating earnings is reported for Canadian Bakeries. The company's year closed on Aug. 31 and the annual report is expected early next month. Last year there was a loss of $78,954 after depreciation and bond interest and the year before there was a loss of $46,766. Not since 1929 have dividends been earned on the first and second preferred stock.

It is not believed that the company will cover much more than depreciation and bond interest for the year just closed and another year or two will be necessary to get back into a profitable position.

Many of the conditions responsible for the recent losses are still present, The Financial Post is informed. There is still very severe competition, and purchasing power, especially in the western provinces, where operations of this company are concentrated, has not been completely restored.

COAST BREWERIES HAS EARNINGS GAIN BUT LIQUIDS LOWER

Acquires Large Interest in Star Brewery and General Brewing

Coast Breweries, Ltd., and subsidiary companies showed better gross and net earnings in the year ended June 30, 1934, but a smaller working capital than in the preceding year. By dint of reducing the dividend on 180,313 no par value shares from a little more than $1 to 92 cents a share, the company maintained its surplus intact and even advanced it by more than $1,000 to $36,734. In the previous year there had been a deficit on the year's operations after dividends.

CONS. INCOME & SURPLUS ACCOUNT
Years Ended June 30

	1934 $	1933 $
Net earnings	596,819	528,904
Less: Selling, admin. & gen. exps.	269,674	234,049
	327,145	294,855
Less: Depreciation ..	79,185	83,577
Inc. tax res.	80,806	70,606
Net profit	167,154	140,673
Less: Dividends	165,844	187,424
Surplus	1,310	*46,751
Less: Prev. surplus .	35,425	82,176
Surplus forward	36,735	35,425

* Deficit.

Working Capital

	1934 $	1933 $
Current assets	414,442	726,325
Current liabilities ...	150,319	118,081
Working capital	264,123	608,244
Ratio	2.76—1	6.15—1

Inventories were down during the year from $213,905 to $154,310. Bills receivable went up $20,000 to $172,297. Altogether current assets were down more than $300,000. The big drop was in cash from $360,054 to $87,836.

Investments in subsidiaries advanced materially during the year. They had been shown at the end of the preceding year at a few thousand dollars and now they stand as follows: Star Brewery Co., $171,791; General Brewing Corp., $263,902 and Pacific Brewers Agents $3,640 as a year earlier and $760 for sundry bonds below market. The item now stands at $440,093 in all.

Depreciated fixed assets at cost are shown at $967,411.

Say St. Catherine-Stanley to Pass Nov. 1 Interest

From Our Own Correspondent

MONTREAL.—Unofficial information is to the effect that St. Catherine-Stanley Realty Corp. will not be in a position to meet interest on its first mortgage bonds due at the beginning of November. Toward the middle of last April the company advised the bondholders that funds on hand were sufficient to take care of the May 1 coupon.

In the published financial statement, dealing with affairs of the company as at April 30, 1934, it is shown that sinking fund requirements for the year were not met. At the end of April arrears of sinking fund installments amounted to $37,617, while there was an installment of $12,788 due on May 1 which was not met. In addition the company has only been able to provide for about 50 per cent of the normal depreciation allowance.

Pay Oct. 1, 1933, Coupon on Bay-Cumberland 6½'s

Bondholders have been informed that the interest coupon due Oct. 1, 1933, on the 6½ per cent first mortgage bonds of Bay-Cumberland Properties is to be paid Oct. 1, 1934. This will leave coupons for April and Oct. 1, 1934, in arrears on the $220,000 of bonds outstanding.

Approximately half the 1934 taxes and all operating accounts due have been paid, it is understood. The property is fully rented, but at the low rates that have prevailed for some time. Payment of the Oct. 1, 1933 coupon does not mean that regular semi-annual payments will be made in future, according to Stewart Scully Co., underwriters of the issue. Bondholders are to be advised when future payments will be made.

Public Utility Earnings

Winnipeg Electric Co.

August:	1934 $	1933 $	Inc. $
Gross earn. ..	382,525	366,402	16,123
Oper. exp.	305,844	303,797	2,046
Net earn.	76,681	62,604	14,076
Fixed chgs. ..	110,709	109,955	753
Net income ..	*34,027	*47,350	13,323
8 Months:	1934 $	1933 $	Inc. $
Gross earn. ..	3,432,643	3,402,674	29,969
Oper. exp. ...	2,541,820	2,571,806	†29,985
Net earn.	890,823	830,868	59,955
Fixed chgs. ..	886,279	901,572	†15,293
Net income ..	4,544	*70,704	75,248

*Deficit.
†Decrease.

Canada Northern Power

August:	1934 $	1933 $	Inc. $
Gross	350,198	303,794	46,404
Op. exp.	125,856	92,208	33,648
Net earn.	224,342	211,586	12,756
8 Months:	1934 $	1933 $	Inc. $
Gross	2,693,557	2,390,965	302,592
Op. exp.	905,589	731,252	174,337
Net earn.	1,787,968	1,659,713	128,255

DUFFERIN PAVING BUILDING ROADS NEW BRUNSWICK

Volume of Contracts Reported Equal to Last Year

Contracts of Dufferin Paving and Crushed Stone Ltd., for the first eight months of the current fiscal year which ends Dec. 31, would indicate business at least equal to that of 1933, The Financial Post understands. While there has not been a great deal of new paving in Ontario and general construction has been sluggish, fairly extensive paving contracts it is reported have been secured in New Brunswick.

About fifty miles of paved highways are being laid down in that Province at a total cost of $800,000 as well as approximately $200,000 spent on bridges, culverts and widening and grading of gravel highways. The new hard surface roads will be constructed in short stretches leading into the principal urban centres in New Brunswick.

It is believed that more road construction will follow in this province and the other Maritime Provinces as well. Work is being pushed on the Trans-Canada highway which traverses both Nova Scotia and New Brunswick. The cost is divided evenly between the federal and provincial governments.

Earnings of Dufferin Construction in 1933 amounted to $290,721 but after depreciation of $349,842 and depletion of $21,945 there was an operating loss of $81,066. It is difficult to make a comparison with 1932 as in that year net earnings amounted to only $15,168 but as there was no depreciation written off and depletion was $14,782 a net profit of a few hundred dollars was reported. In the last five years depreciation has averaged approximately $254,000 and depletion about $40,000. There has been no reserve for income tax shown since 1930, but making some allowance for this, it would appear that the company must earn at least $300,000 to break even, and more than this amount in a normal year if dividends are to be considered.

Approve Capital Change Can. Insurance Shares

Stockholders of Canadian Insurance Shares approved by-laws previously passed by directors providing for elimination of unpaid subscriptions on shares from the balance sheet at a meeting in Toronto early this week.

The by-laws contemplate cancellation of shares on which subscriptions have not been paid in full, and re-issuance of fully paid shares at the rate of $50 each to the extent of cash actually paid on account of subscriptions.

Weekly Bank Clearings

	Sept. 20 1934 $	Change year ago %	Sept. 13 1934 $
Halifax	2,132,071	+7.3	2,369,503
Saint John ..	1,576,053	+7.6	1,603,692
Moncton	661,884	—3.2	596,962
Sherbrooke .	735,758	+37.7	520,144
Quebec	3,845,571	+2.9	3,730,851
Montreal	82,037,626	—8.5	84,780,461
Ottawa	4,284,913	+5.1	2,842,804
Kingston	605,617	+1.6	550,622
Peterborough	609,541	—2.1	683,550
Toronto	104,309,815	+2.5	117,500,110
Hamilton ..	3,821,100	—6.6	3,245,769
Kitchener ...	931,084	+2.4	851,821
Brantford ...	714,949	—2.1	672,795
London	2,343,648	—6.8	2,166,707
Chatham	370,433	—0.7	434,327
Windsor	1,897,102	—29.0	1,741,312
Sarnia	393,262	+10.5	413,894
Sudbury	674,627	+26.9	760,290
Ft. William ..	728,155	—52.5	652,315
Winnipeg ...	59,664,981	—18.9	71,309,953
Brandon	349,977	+4.6	323,455
Regina	9,553,537	+63.0	....
Moose Jaw ..	644,194	+8.7	495,033
Saskatoon ..	1,724,557	+33.4	1,458,937
Prince Albert	355,403	+46.7	309,129
Edmonton ..	3,974,020	+18.2	3,335,740
Calgary	6,097,644	—0.1	6,569,436
Medicine Hat	298,840	+16.0	267,021
N. W'minster	499,470	+20.4	491,235
Vancouver ..	15,265,587	+16.3	14,194,238
Victoria	1,346,899	+3.7	1,463,352
Lethbridge ..	508,269	+20..	493,580

Bond Tenders

4 p.m., Sept. 28, Township of Teck—(1) $50,000, 4½ per cent, 10-ins. public school debentures; $65,000, 4½ per cent 10-ins. waterworks and relief, dated Oct. 1, 1934. (2) $20,000, 6 per cent, 5-ins. public school, dated Oct. 1, 1934; $19,320, 6 per cent, 15-ins., waterworks and sewers, dated July 27, 1934; $6,400, 6 per cent 10-ins. waterworks and sewers, dated Oct. 1, 1934. J. W. McBain, clerk and treas., Kirkland Lake.

Oct. 3, Louiseville, Que.—$60,000 bonds, alternative bids as follows: 4½ per cent 5-year serial; 5 per cent 15-year serial; 5 per cent 35-year serial.

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TORONTO, SEPTEMBER 29, 1934

KEEPING OUR CITIES SOLVENT

HOW to keep our cities and towns solvent is one of the basic problems of national interest today. It is not a problem of academic interest only. With 10 per cent of our municipal obligations in default; with 20 per cent of the municipal obligations of Canada's wealthiest province, Ontario, in default, there can be no denying that the problem is on our doorstep at the present moment.

Some sensible views on the subject were expressed by Thomas Bradshaw in the interview which appeared recently in The Financial Post. Mr. Bradshaw's suggestions touch the interests of the average citizen in every Canadian municipality.

The central point he makes is that no municipality can maintain its solvency if it spends more money than the taxpayers can afford to pay. When tax arrears pile up there is definite evidence that the city is laying a heavier burden on the citizens than their own incomes will permit them to carry. Increasing the tax rate or increasing the assessment in order to provide the city with more income is a futile effort. If the citizens cannot pay the taxes already levied upon them, they cannot pay more; there is only one way out, and that is to reduce expenditures.

This applies with particular point to educational expenditures, which have risen very rapidly. It is now obvious in many towns and cities across the country that the citizens cannot afford the schools and type of educational advantages that they have asked for. It is not retrogression but common sense, then, to scale down on luxuries in education as in any other field.

Mr. Bradshaw's views on local improvements, on the problem of high assessments measured against low land values, and on the importance of solvency to a city, in order that each man, woman, and child may obtain the benefits of good civic administration, will be read with the greatest of interest. They touch a problem that is very human and real in Canada today.

Mr. Bradshaw is one of Canada's leading authorities on the subject of municipal finance. Probably most observers would put him first. At the cost of a very large intrusion upon his leisure hours, he is giving freely of his time and experience today to aid many communities in solving their problems of municipal finance and is thus strengthening the Canadian tradition, inherited from Great Britain, of unselfish public service by men who have something to contribute to national life.

FINDING A WAY OUT

FOR many months nations and individuals have been searching to lighten the burden of depression and to set foot once more on the firm ground of economic recovery and social wellbeing. In this difficult task many agencies have been joined and many groups united. The business and professional man, the legislator, the economist, the preacher and the teacher—all have had their fling and made their contribution toward a way out of the maze in which this and other nations have found themselves since 1929.

A unique contribution was added last week when delegates to the biennial council of the United Church of Canada read the considered opinion of thirty lay and clerical members who for the past two years under the chairmanship of Sir Robert Falconer, have been deliberating on the attitude which members of this body should take toward the present economic and social scheme of things. A 7,000-word document, in which its authors unanimously concur, it seeks to formulate policies and principles to guide the more than 2,000,000 persons who adhere to this faith.

In probing the ills which have beset industry in recent years, the commission sees as a basic cause "the unsocial attitude to life" which besets the world of business, and which it believes has been brought about by "the false view of wealth and of property, the covetous desire for acquisition, the desire for power and domination and the search for privileged position in the quest for gain."

> "This attitude," continues the report, "is frankly materialistic in its scale of values and its aims. It reveals itself in the ceaseless desire for more production than is needed in order that additional profit may be obtained; in the spirit of the hireling living for the pay received; and in that frequent detachment of business from life and morals which is indicated by the phrase 'business is business.'
>
> "It is seen in the rivalry of national groups which, when able to veil their private aims in the vesture of national interest, changes conflict into war. It gives us an industrial organization frequently interrupted, and a society torn by bitter resentment at avoidable inequalities."

In seeking a solution the committee points to two considerations which it believes must always be kept in mind, namely: "The importance of stimulating individual initiative and the necessity for social co-ordination." "Society," it says, "will ever require the former, which, however, without the latter may result in wasted energy."

It urges a new spirit in industry which will place "co-operation for the general good above competition for private advantage"—a sentiment concurred in recently by a gathering at Lambeth of Anglican bishops from all parts of the world—but points out that Christianity is now challenged by two rival movements (Communism and Corporate Nationalism) both of which repudiate "private aggrandizement as the major interest in life, and both call for devotion to a social good as supreme."

Though suggesting that the church provide "clear and concrete instruction in social ideals," it is emphatic that no minister must ever identify "the Christian programme and mission with that of any political party or group" and that its function is to "point direction and reveal goals rather than to elaborate programmes of successive changes." Its nearest approach to specific policies is when it "ventures to indicate the direction of some recent advances as suggesting possible extension"—as follows:

> "For example, the demand that all people have access to the means of full life as far as they are capable of it, involves an assured minimum provision against the fear of old age, unemployment, disability and accident, together with protection against compulsion to accept a wage which precludes the means of such a life.
>
> "The idea of a public utility is also constantly being enriched. Almost every service now rendered as a public utility was originally an enterprise conducted for private gain. And it may be that extensions of this into fresh fields will bring the solution of many problems, provided security can be afforded from the dangers which attend political administration. Steps already taken in the curbing of the use of power and wealth for selfish ends point the direction for further needed progress."

Sponsored by one of the most powerful forces for molding the viewpoint of individual citizens, this report, although primarily a challenge to a particular group of Christian people, has much to commend it to thoughtful Canadians. One of its most useful recommendations is the strong plea it makes that both ministers and laymen put forth every effort to study and understand "in the light of Christian standards" the existing social order, its practices, institutions and laws, with a view to achieving a proper remedy either through individual action or through an awakened public conscience.

THE AMES TRADITION

DEATH last week removed one of Canada's great financiers, A. E. Ames. His greatness was acknowledged by his contemporaries and their recognition of his eminence was not a tribute to the high position of influence and usefulness attained by the firm which bears his name, or to the wealth he may have gained, but to the qualities of mind and heart and character which stood behind and above these.

For it was at once the fate and good fortune of A. E. Ames to contribute to the annals of Canadian finance one of its brightest pages.

All who were in business in Canada in the early years of this century will remember the shock occasioned everywhere by the news that panic and collapse of stock markets, failure of important companies and some acts of bad faith by predatory finance, had brought about the downfall of the private banking firm of A. E. Ames & Co. Against that background of seeming defeat and disaster, A. E. Ames held the confidence of his clients, his backers and supporters and in the course of time through the efforts of a reorganized company he and his able associates paid back to the last cent what was owed to creditors. More than that, those who stuck to him—it is pleasant to recall—made a considerable amount of money.

Most bankruptcies would have cancelled the debts which this firm then assumed. The obligations were moral, not legal. That is why the name of A. E. Ames has become a tradition for honor in business and why it will remain an inspiration to new generations of financial men.

THE WAY OF THE REFORMER

RECENTLY Graham Spry, Ontario leader of the C. C. F., published a contributed article on the editorial page of the Toronto Mail and Empire, in which he commented on the "enthusiastic and almost unanimous silence about his campaign as C. C. F. candidate in this week's Federal by-election." He noted with some disappointment that his first political scrapbook had but nine clippings after more than 100 meetings.

Mr. Spry might take a leaf from the voluminous scrapbook of a contemporary social reformer in the United States, namely Upton Sinclair. Recently, at a luncheon in Washington, Mr. Sinclair was asked what was the difference between his present views, running on the democratic ticket for the governorship of California, and his views on the five occasions when he ran on the Socialist ticket?

Apparently Mr. Sinclair handled himself with "engaging candor" and replied in effect that he had found he was getting nowhere as a socialist so decided to attempt progress through one of the regular parties. He is said to have remarked: "I have not changed my views, I have merely changed my technique."

As Mark Sullivan commented in the New York Herald-Tribune, "Mr. Sinclair varies the old adage, he does not change horses crossing the stream, he changes streams while remaining on the same horse."

Judging by what happened in the Ontario election this summer, we would hazard the guess that many political aspirants in Canada with highly socialistic views will change streams while remaining on the same horse, at the coming Federal election of 1935.

ECONOMIC NATIONALISM STILL IN ASCENDANT

THE Economic Committee of the League of Nations has given up hope of any early abandonment of extreme economic nationalism by the nations of the world. The failure of the London economic conference of last year is a pretty obvious indicator of the policy of the nations. The drive toward economic self-sufficiency has continued unceasingly since that conference and has reached the stage where all sorts of theoretical arguments in favor of economic self-sufficiency for each nation are being presented.

It is argued that science, technical progress, and suitable administrative action are capable of freeing each individual country from dependence on others and making it more or less self-supplying. Moreover, the unlimited possibilities for manufacturing substitute products, destined to deprive national specialization of any value at all, are cited.

The Economic Committee of the League, in a special report, admits that there may be something to be said for all these arguments.

At the same time, it says:

> "It seems difficult to reject the view that economic nationalism, when pushed beyond certain limits, involves a squandering of wealth detrimental not only to the common, general interest of peoples but also to the purely selfish interests of the countries embarking on such a policy."

Economic nationalism today, however, does not have its roots in the economic ambitions of the nations but rather in their political interests. So long as the nations do not feel secure from attack by their neighbors, it is, as the Economic Committee puts it, "useless to expect them to modify their commercial policies." Political considerations will always outweigh economic considerations.

Eventually there may come a new equilibrium, a new substitute for the pre-war concept of free exchange of goods internationally impeded by only modest tariff walls. But what the nature of this new equilibrium may be, the League committee does not attempt to say.

It is hopeful, though, that the instrument of bilateral treaties will be used to the limit, not only for the individual value of each treaty but because reciprocal trade treaties, taken in the aggregate, have proven in the past a matchless instrument for the collective reduction of customs tariffs.

But even trade treaties have lost their appeal in the current tariff war. The British nations, in their Ottawa agreements, and the United States, in its attempt to work out reciprocal arrangements with other countries, are working steadfastly in this direction. It is a little unfortunate, however, that when European countries get together to devise customs unions or reciprocal trading arrangements other countries view these arrangements with dismay, reading into them political rather than economic significance.

EDITORIAL NOTES

The head of an American stock market advisory service says that 95 per cent of business men do their investing in a period of prosperity. A great many of them did it on his advice.

* * *

The Financial Times of London congratulates Canada on having a per capita public debt of only 99.4 pounds. But it forgets the railway debt which brings it to about $615 per capita.

Post-Scripts

PROVINCIAL insurance superintendents met recently at Saint John. An observer who attended the deliberations sends us the following comment about the conference secretary, R. L. Foster:

> "The Ontario Superintendent of Insurance, R. L. Foster, K.C., was, as usual, the main support of the conference. As manager of a three-ring circus, he exhibited an amazing versatility and efficiency. He works about eighteen hours a day during the term of the conference and manages to be always present wherever anything of importance is going on; in fact, it usually begins to happen when he arrives; and as a guide to the conference through the shoals of political compromise his skill is unequalled. He deserves and holds the confidence of his colleagues without reservation."

* * *

HERE is one to paste in the Postscript's scrap book: Not long ago the first part of some extensive tunnelling works on the London underground was completed A celebration was in order and members of the L. C. C. were invited to a luncheon to take place on the bottom of one of the caissons where the air pressure is much greater than at the surface. In due course the guests assembled and feeling rather pleased at the unique entertainment. All went well, though some of the L. C. C. members complained that the champagne was a bit flat. After the luncheon they were taken to the surface and entered an air chamber where the necessary treatment was given to allow for the change in air pressure. At this point the "flat" champagne came to life and what the guests thought and said of their luncheon below the earth's surface has been "stricken from the records."

* * *

SIR JOSIAH STAMP, eminent economist and chairman of the L.M.S., writes to the London Times that he solved one of that newspaper's recent crossword puzzles in 50 minutes. But Sir Austen Chamberlain countered with the claim to having done it in 41 minutes. Lord Russell of Lillowen claimed he once did one in 12 minutes 59 4/5 seconds, he says, but perhaps his stop watch was not working accurately. The official record to date seems to be 10 minutes, but frankly we have no faith in the claim. The unofficial record is that of the Provost of Eton, who is said to time the boiling of his morning egg by the time it takes to complete the morning puzzle. (Possibly he likes hard-boiled eggs).

Some people boasted of the lethargy of their minds when working on crossword puzzles. P. G. Wodehouse and E. V. Lucas admitted their humbleness and Lord Moynihan wrote learnedly and ironically on the "quality of mind" required for rapid solution.

But his irony was as nothing compared to that in a letter which read:

> "Sir,—Sir Josiah Stamp will be interested to learn that on a recent occasion I solved The Times crossword puzzle while travelling between two consecutive stations on the L.M.S., the journey between which takes normally only 3½ minutes."

Strange people, these Britons. What railway chairman, what political leader in Canada would admit that he did cross-word puzzles in his leisure moments?

Sayings of the Week

"No woman could succeed as President."—*Mrs. Franklin D. Roosevelt.*

* * *

"The curtain has fallen, I hope finally, on the Civil Disobedience movement."—*Lord Willingdon.*

* * *

"In the United States today the only laws religiously observed are the bridge laws."—*Mr. Culbertson.*

* * *

"The case of the white-collared returned soldier who is unemployed is one of peculiar sadness."—*Col. A. T. Thompson.*

"No rugged individual can survive in the midst of collective starvation."—*F. H. LaGuardia, mayor of New York.*

* * *

"If we are to have progress in all fields of human endeavor we ought to apply a little common sense to politics."—*Alfred E. Smith.*

* * *

"Industry is incurably optimistic; its beacon is hope and pain is its life-blood."—*Alfred P. Sloan, Jr., president General Motors Corporation.*

* * *

"The time has passed when it is up to the farmers to play Santa Claus to the industrial world."—*Chester Davis, administrator of Washington's A.A.A.*

* * *

"The way to recovery is not by discarding labor-saving equipment but rather by a wider use of such equipment."—*T. A. Russell, pres. Massey-Harris Co.*

"Government is usually controlled by passion, by legalistic formulae and by highly organized and effective self-seeking minorities." — *Dr. Nicholas Murray Butler.*

* * *

"Labor is both patriotic and sane. It has never seemed to me that we need to be greatly disturbed about labor in this country going communistic."—*U. S. Senator Wm. E. Borah.*

"The first obligation of any honest person at the present time is just this: to tell the truth. That is what you can't do today in Moscow or Berlin."—*Geo. E. G. Catlin.*

"If the Nazis have done nothing else for the world, they have at least exploded the once popular theory that the combative impulse was confined to highly placed personages—kings and their ministers. The combative element in the world today marches to the war song of youth."—*Cicely Hamilton.*

New Books

ENGLAND TAKES THE LEAD. By Harold Fisher. An examination of the behavior of money, and a forecast. Jonathan Cape, London and Toronto. $2.

This book by Harold Fisher, the active executive of a large British firm with Canadian interests, has a stimulating title, a fresh point of view and a hopeful outlook. He argues with force and conviction and buttresses his view that the misery and despair of recent years are the natural heritage of "the vast load of war-begotten indebtedness, calculated in terms of a pre-war currency, inadequately served by an enfeebled stream of post-war promises to pay." He believes that the same economic forces that brought the world low are now about to bring it up again to new heights, and that England will take the lead.

Mr. Fisher, who has been explaining to interested Canadian audiences of economists and business men the main theses of his book in the last fortnight, says that the entire economic structure of the world can be expressed in the four words on a Bank of England note, "I promise to pay." Every hour of every day, he points out, uncountable billions of such promises to pay are being brought into existence, being bought and sold, being renewed and being dodged, being repaid and being discharged. The individual destinies of these myriads of promises to pay are unimportant but the combined pressure of great masses of them arising from the same cause or moving in the same direction is terrific.

Starting with the contention that all financial instruments, except actual coin, are mere promises to pay, subject to the elements of time and uncertainty, he contends that the behavior of these instruments is directly affected by the sum total of all such promises awaiting discharge. He denies that there is a principle in the behavior of money which is universally applicable to all nations. The management of a nation's money is as thoroughly individual as the management of its government and differs as greatly. The temperaments of peoples and governments, their records for making and keeping promises, their degrees of susceptibility to panic, all have a bearing on the situation.

But in any country the total volume of promises to pay at any time in being is knit together like the bones and tissues of a living thing, in one organic whole. Gold may regulate the measure of its pulse, but it is not the vital principle of the organism. That principle derives from the faith, industry and honesty of the nation, amplified by its natural gifts, co-ordinated by its laws and reinforced by the sovereign power of its government."

Mr. Fisher considers the history of the 20 years ending in 1934 the history from first to last of the national and international government debts. They have caused unending earthquakes and in his view there are still more to come. The consequences of the debt now being piled up in the United States are yet to be felt by the world at large. He details the various stages in creation of the English National debt until it had become "a hydrocephalic montrosity sucking the economic life-blood of the nation;" he shows gold at $20.67 as "the villain in the piece" and concludes that what is needed is a rise in all prices, wages and salaries. This rise, he says, should be sufficient in annual money turnover to measure up easily to the taxable revenue needed for the irreducible sum total of the national debts.

The solid fact of gold seemed at first to the nations to be sure refuge but a promise to pay gold when one cannot get the metal proves as illusory as any other. Mr. Fisher considers that the world price fall was caused by England's return to gold in 1925. He thinks that the turning point to another era began in 1931 when England went off gold and was furthered in April, 1933, when the United States abandoned it. From that last date recovery began in England and the United States.

When prices rise sufficiently he believes there will be a rush to pay all debts and this will be the final accelerating force that will raise all prices to an amazing height. The English he expects to lead the way with an era of national expansion which will exceed anything hitherto known. He expects Great Britain to resume world lending and its position as the world's greatest buyer. This will lead to general prosperity, he thinks.

ECONOMIC CONDITIONS IN CANADA, 1933-34, annual report of F. W. Field, C.M.G., British Trade Commissioner in Canada, published by His Majesty's Stationery Office, price 5 shillings. Reviewed in this issue.

LABOR ORGANIZATION IN CANADA, Twenty-third Annual Report issued by the Department of Labor, free.

The current volume, like its predecessors, discusses the various classes of labor organizations with which Canadian organized workers are identified and gives their numerical standing at the close of 1933. Names and addresses of officers are given as of 1934.

"ECONOMIC CONDITIONS IN NORWAY," a report by the Commercial Secretary to the United Kingdom Legation at Oslo. H.M. Stationery Office, price 2s. 9d.

Improvement in general business which took place in Norway during 1933, particularly during the autumn months, has been maintained during 1934, it is stated. The agricultural situation, however, is not so satisfactory and a heavy burden of debt is carried.

Industries producing for the home market have been very well occupied and even engineering and shipbuilding—hitherto depressed—improved during the autumn of 1933. The agricultural situation is however not so satisfactorl and a heavy burden of debt is carried. Conditions in the fishery districts still remain depressed and were only a little easier in 1933.

"ECONOMIC CONDITIONS IN AUSTRALIA," a report by the British Trade Commissioner in Australia, H. M. Stationery Office, price 5 shillings.

PRINCIPLES OF MUNICIPAL ADMINISTRATION. Prepared by the Citizens' Research Institute of Canada for the Committee on Sound Public Finance for the Canadian Chamber of Commerce, 1934.

This is an 11-page pamphlet briefly outlining the proper activities of municipalities, and the most efficient and effective methods of carrying on such activities. Formation and institution of municipal policies, duties of the municipal council, principles of administration, departmental management, financial control and personnel are outlined briefly under separate headings.

The concluding section of the pamphlet is devoted to examination of financial "indicators" for municipal administrators and creditors. The conciseness of the pamphlet makes it a valuable source of information for all municipal councillors and officials, and useful as a guide for investors.

In the Mail

Editor, The Financial Post:

I am a constant reader of The Financial Post and I take the liberty to comment on an editorial in the September 1 issue dealing with an extract from an editorial in the Regina Leader-Post—re money and wealth, etc. Your remarks have a particular interest for me, because they agree with a point to which I have given much thought and a little action for some years. Namely, that ninety per cent of the people (many in high positions) do not grasp the essential point that money or currency plays in our everyday life. With the result that it is one of our greatest millstones during times of business depression.

There is a wonderful opportunity for any man or group of men, with the means, to start an educational club on the subject of money and wealth and kindred subjects. There is no other subject on which so much ignorance is in evidence, and no other about which there is so little opportunity to learn.

If a fraction of the energy spent on flaying radical groups were to be spent on making people see things as they are, and not as they think they are, there would be no radical groups to fight.

W. F. CRAWFORD.

Prince Albert,
Saskatchewan.

Editor, The Financial Post:

I wish to offer as an alternate plan for the merging of the two railway systems, one which would remove both of them from either the direct control of the government or the C. P. R.

The plan is for both the government and the C. P. R. to dispose of all their properties agreed upon to a new public corporation to be formed for this purpose. The value of their respective assets to be determined by a board of arbitration and based upon their present market value.

Both the government and the railway company would then be allotted shares in the new company in the proportion to the agreed value of their respective assets.

The alternate lines of track now existing can still be used to relieve the pressure of traffic.

It is quite usual for governments to hold investments in public enterprises.

JOHN W. DOUGLAS

67 Donald St.,
Winnipeg.

Other People's Views

Amend B.N.A. Act
Calgary Herald

Amendments will have to be made to the B.N.A. Act. It has become a live issue because of rapidly changing conditions and Mr. Bennett indicates the willingness of his government to make the necessary modifications as soon as possible.

Canada's Aviation Policy
Halifax Herald

Commercial aviation is expanding steadily until today almost all countries are joined by speeding airplanes. Britain is linked with India and Australia; her pilots fly on regular schedule to Capetown, South Africa. Germany's Graf Zeppelin, having completed 70 round-trips to South America, is to be supplemented by another and larger airship. Paris passengers reach Buenos Aires in three days. Washington's clipperplanes join in new bonds half a dozen nations on the southern continent, cementing growing commercial relationships.

Canada alone, it seems, stands apart from this new transportation development.

The situation demands greatest watchfulness on the part of the Ottawa authorities responsible for aviation. It is one that calls for early and comprehensive plans for the development of the nation's own air communications.

National Debt Problem
Regina Leader-Post

The seriousness of Canada's debt problem is illustrated again in a statement to the Ontario Municipal Association that Ontario municipalities are in default to the extent of $96,640,819, that province leading all provinces in this respect.

Municipalities, like governments in larger spheres, should keep in mind the warning words of Sir Henry Drayton as he journeyed across Canada last year emphasizing the almost ridiculous overhead represented in Canada's myriad governing bodies and our habit of mortgaging the future.

It is true that national policy as we have it in Canada today is not conducive to national prosperity. However, so long as we condone national policy as we have it, we must learn to live within our incomes. This applies just as forcibly to governing bodies as it does to individuals.

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3. Booklet—"Canada—Federal and Provincial Debts and Statements—April, 1934."
4. Pamphlet—"Comparison of Canadian Industrial Corporation Bonds."

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Business Conditions in Canada

The Week in Business

Mining Aids Recovery

ALMOST feverish mining activity and higher prices for nearly all farm products combined with steady activity in industrial plants makes the outlook bright for winter trade. Wholesalers and retailers continue to make gains from week to week, a steady improvement in luxury lines such as musical instruments, radios, etc., being particularly cheering. Industrial plants are showing renewed fall activity for the most part, iron and steel plants, for example, operating at their highest capacity since 1930.

Increased purchasing power of wheat alone means a considerably greater demand for goods from the Prairie Provinces even though many sections have had very poor crops. This increase in purchasing power of wheat is demonstrated by the index of the Searle Grain Co., Winnipeg, which has risen from 55 in March to 75 in September, the base being 1913-14 equals 100.

An even better comparative showing is made by the Bank of Nova Scotia index of purchasing power of wheat on the base of 1921-32 equals 100, this index having risen from 73.0 in March to 96.0 in July.

* * *

Hardware Better

A GENERAL pick-up in hardware fields is reported from almost all territories in September, by Hardware and Metal, Toronto. The summer season was quiet as usual, but many lines of hardware began to move more briskly as soon as the month opened. Most retailers are looking forward with enthusiasm to fall business, believing that the decrease in unemployment and higher prices for some farm products may help to bring increased purchases of very necessary hardware lines.

Wholesalers state that buying of supplies for the fall has been done by dealers in comparatively good quantities, as stocks are being built up. The severe cold of last winter brought with it a great demand for winter lines and in some cases carry over stocks were light.

* * *

August Business Active

AUGUST statistics of industrial activity, released during the past week, show that those industries which showed decreased activity from the previous month were merely following the seasonal trend, the general level being about the same. Automobile production was well maintained by heavy export demand at 9,904 units, about half of the total being produced for shipment abroad. The daily average output of central electric stations was higher than in July and 10 per cent above August last year. Pig iron production was higher than in July by 13 per cent while steel output declined 5 per cent.

N.B. Mineral Output

New Brunswick's mineral production in the first half of the present year amounted in value to $744,988—all non-metals. Coal amounted to $499,049, natural gas, $196,784, crude petroleum, $11,743 and gypsum $37,412.

CHEVROLET LEAD IN EAST. CANADA REDUCED BY FORD

Ford Leads New Car Sales For Second Month

Victory for Chevrolet in the annual sales battle between that make and Ford seems assured in Canada for 1934, it would appear from an analysis made by The Financial Post of new car registrations compiled by Might's Directories and published in Canadian Automotive Trade, Toronto. During the first eight months of the year, Chevrolet sales in eastern Canada numbered 10,703 as compared with 9,559 for Ford, a lead of 1,144. Latest statistics from the United States indicate, however, that Ford has bettered Chevrolet in U.S.A. sales for the first time since 1930.

Although total Ford sales are lower than its chief rival, the latter's lead has been reduced, August sales in eastern Canada showing Ford in the lead with 907, Chevrolet following with 895. Ford July sales were also higher. Dodge, Plymouth and Oldsmobile are the only other makes with sales of more than 200 cars in August, their totals being 361,339 and 281 respectively.

Sales Gain Small

Total sales of all makes numbered 3,524 in August as compared with 3,157 in August last year, a gain of only 11.6 per cent as compared with the increase of 49 per cent in sales for the year to date. The poor comparative showing of August is accounted for by the fact that the late summer sales in 1933 were a larger portion of the annual total than is usual due to the poor earlier months.

Sales of leading makes and total of all makes by provinces are shown in the following tables.

Sales of Leading Makes
(In Eastern Canada)

	August 1934	August 1933	8 Months 1934	8 Months 1933
Ford	907	705	9,559	5,484
Chevrolet	859	903	10,703	7,997
Dodge	361	361	4,400	2,811
Plymouth	339	306	4,466	2,430
Oldsmobile	281	51	2,029	593
Buick	151	138	1,613	1,304
Terraplane	133	122	1,318	815
Pontiac	119	180	1,616	1,916
Hudson	77	5	776	99
Chrysler	66	125	1,221	835
Studebaker	58	54	744	609
Graham	39	26	441	214

Sales by Provinces

	August 1934	August 1933	8 Months 1934	8 Months 1933
Ont.	2,419	2,265	27,657	18,923
Que.	674	666	8,520	5,785
N. B.	131	76	1,300	684
N. S.	273	120	2,473	1,477
P. E. I.	27	30	256	150
	3,524	3,157	40,206	27,019

More than 90 per cent of sales of all makes of cars in eastern Canada during the first eight months of the year were accounted for by the three leading manufacturers, General Motors, Chrysler Corp. and Ford of Canada.

Ford and Chrysler Corp. both increased their percentage of the total market while General Motors portion was slightly reduced as compared with last year. Percentage standing of the "Big Three" is:

Percentage of East Canada Market
(Passenger Car Sales)

	8 Mos. 1934	8 Mos. 1933
General Motors	40.8	44.0
Chrysler Corp.	25.5	23.7
Ford of Canada	23.8	20.3
	90.1	88.0

Canadian Business Indicators

Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA — Latest — 1934	1933	Cumulative Total Jan. 1 to date 1934	1933
Transportation—				
Car loadings (Sept. 15)	▲53,564	47,834	1,596,939	1,353,006
C.P.R. gross earn. (Sept. 21)	$ ▲2,918,000	$ 2,739,000	$ 87,468,000	$ 76,537,000
C.N.R. gross earn. (Sept. 21)	$ ▲3,684,809	$ 3,246,547	$ 117,348,705	$ 99,378,871
Business Conditions—				
Weekly index D.B.S. (Sept. 15)	▲100.4	86.4	......	......
Business failures (No.) (Sept. 15)	▲14	18	680	1,136
MONTHLY DATA				
Business Conditions—				
Financial Post index (Aug.)°	▲98.4	88.7	......	......
Transportation—				
C.P.R. net earnings (July)	$ 1,511,481	$ 1,368,380	$ 9,565,894	$ 6,220,521
C.N.R. net revenue (July)	$ 688,445	$ 820,466	$ 5,066,986	$ ‡2,158,515
Iron and Steel (August)—				
Pig iron production (tons)	▲41,485	35,233	236,071	103,132
Steel ingot prod. (tons)	▲63,504	48,659	527,673	228,199
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (July)	5,341	4,574	49,220	30,096
Factory output (August)	▲9,904	6,079	103,102	50,881
Trucks and Buses:				
Domestic sales* (July)	1,107	572	7,671	3,503
Factory output (August)	▲2,579	1,160	20,286	7,781
Exports (August)	▲4,971	1,919	36,477	12,598
Construction—				
Building permits (August)	$ ▲3,273,889	$ 1,910,809	$ 16,775,616	$ 14,407,111
Contracts awarded (Aug.)	$ 13,543,900	$ 9,479,500	$ 85,651,100	$ 55,043,800
Newsprint (tons)—				
Production (August)	216,164	194,262	1,688,036	1,269,136
Exports (August)	183,829	165,880	1,537,127	1,140,419
Sugar (lbs.)—				
Melting & shipments§	▲91,063,904	63,270,428	513,191,653	495,720,370
Manufactured§	▲88,679,472	60,377,719	500,128,185	485,758,000
Flour (bbls.)—				
Production (July)	1,072,747	1,322,923	7,673,418	7,565,308
Wheat flour exports (Aug.)	412,089	480,288	3,353,728	3,537,715
Trade (August)—				
Imports	$ ▲43,507,000	$ 38,747,000	$ 335,041,000	$ 242,366,000
Exports	$ ▲55,249,000	$ 44,723,000	$ 401,029,000	$ 302,163,000
Wheat exports (bush.)	▲14,709,675	8,652,970	92,410,946	108,395,079
Employment (Aug. 1) D.B.S. Index—				
All industries	95.2	87.1	......	......
Manufacturing	91.4	85.2	......	......
Electric Power Output (August)—				
Total monthly (000's omitted)	▲1,658,742	1,508,216	13,651,531	11,035,824
Aver. daily	▲53,508,000	48,652,000	....	....
Other Industrial Indices—				
Lumbering:				
Plank & board exports, mill (August)	135,135	128,459	900,790	501,816
Boot & shoe prod., pr. (July)	1,331,966	1,974,867	10,628,963	10,798,759
Crude petrol. imp gal. (Aug.)	▲129,613,000	116,310,000	674,786,292	497,847,889
Cotton imports, lbs. (Aug.)	▲8,535,000	10,584,000	86,439,000	61,140,000
Raw rubber imp., lbs. (Aug.)	▲4,363,000	4,022,000	40,786,087	22,770,876
Coal imports, tons (July)	1,545,787	1,239,009	6,746,710	5,170,988
Finance—				
Bank debits† (July)	$ 2,767,000	$ 3,527,824	$ 18,209,712	$ 16,723,096
Bond sales (August)	$ 51,057,200	$ 91,729,456	$ 308,866,972	$ 298,515,452
Life insurance sales (Aug.)	$ ▲26,659,000	$ 30,846,000	$ 249,751,000	$ 255,609,000
Automobile Financing—				
Used cars (July)	$ 1,704,579	$ 991,889	$ 8,715,619	$ 6,824,400
New cars (July)	$ 1,913,474	$ 1,145,803	$ 11,540,345	$ 6,828,105

†000's omitted. ‡Deficit. §For 4 weeks to September 8. *Final.
*D.B.S. All-Canada figure comprising over 90% of the Canadian total.

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August Business Gains Confined to B. C., Maritimes

Considerable Recession Recorded in Quebec as Textile and Leather Industries Quieter — Decline in Other Areas Small

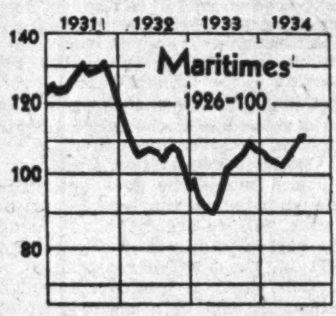
By SYDNEY B. SMITH

Regional indexes were not so favorable in August, gains being confined to the Maritime Provinces and British Columbia. An appreciable recession was shown in Quebec, while the indexes of Ontario and the Prairie Provinces declined less than one point. The indexes are each based on six factors common to the five areas, two or three additional factors varied from area to area being used to reflect the special conditions prevailing in particular economic areas.

The showing since the first of the year has been on the right side of the ledger. While some recession was recorded from the high points in Ontario and Quebec, the standing in August in each of the areas displayed betterment over the first month of the year. Progress in the five areas was uneven, but it must be admitted that the general tendency was in the right direction.

Maritimes Gained

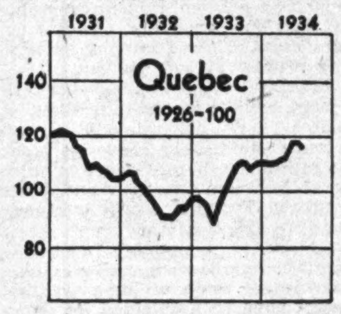
Maritime Provinces — Following the advance of the three preceding months, the index for the Maritime Provinces showed a further gain in August. The index stood at 111.4 compared with 111.1 in July. Changes in the nine factors used in measuring the trend for the areas were not of spectacular character in the month under review. The award of construction contracts was considerably greater, amounting to $2,500,000. Building permits were at a low ebb. The decline in electric output was greater than normal for the season.



The adjusted index of employment moved up from 95.9 to 97.1 an important factor in the rise of the regional index in August. Bank debits and sales of life insurance showed rather sharp reaction. The index of imports through Maritime province ports was 61.6 compared with 59.9. Exports and tonnage of vessels cleared showed adjusted declines.

Quebec Quieter

Quebec — The second quarter of the present year was a period of expansion in Quebec but the last two months have shown recession. The index in August was 116.8 compared with 119.6 in the preceding month.

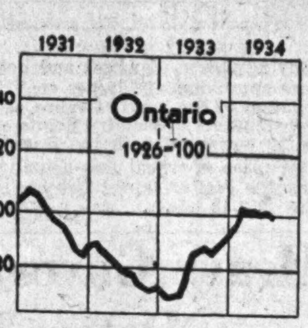


The construction industry succeeded in getting a much greater amount of new business in August, the index of contracts being up 61 per cent. The total was $4,918,000 as against $3,086,000. Building permits were also in considerably greater amount. Electric output was off in August, the index dropping from 233.0 to 229.5. Employment, contrary to seasonal tendencies, recorded a gain on September 1. The adjusted index was 91.0 compared with 90.0.

Bank debits and sales of life insurance were at a considerably lower level. The boot and shoe industry was less active. Imports of raw cotton by the textile industry in preparation for increased operations were up about 8.5 per cent. The adjusted gain in the output of newsprint was about 3.5 per cent.

Ontario Index Lower

Ontario—The index for Ontario reflected rapid advance in the first quarter of the present year, moderate recession having been shown in more recent months. The index in August was 99.5 compared with 100.4.



Construction contracts awarded in August were less than in July, but an adjusted gain of more than 50 per cent was shown in building permits. Electric output in Ontario made an excellent showing, the average daily output being 15,238,000 kw.h. compared with 14,007,000. The index moved up from 104.2 to 108.0.

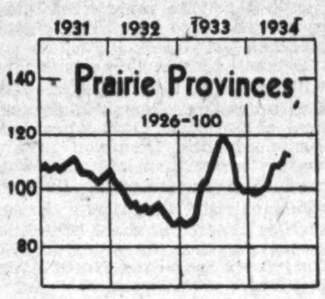
The adjusted index of employment was 100.2 compared with 103.3 at the beginning of August. A gain of 6.5 per cent was shown in bank debits, the index being 130.0 compared with 122.0. Sales of life insurance were off.

The three industrial indexes used in this connection showed decline in August. The index of slaughterings of livestock dropped after seasonal adjustment from 122.4 to 115.4. The output of steel ingots was at a lower level, and the decline in automobile production was greater than normal for the season.

Prairies Hold Level

Prairie Provinces—Despite the unfavorable crop in the southern portion of the Prairie Provinces, the statistical factor recorded a gain in business conditions in the second quarter of the present year. The gains were well distributed among the eight factors used in this connection. The trend was reversed in August, the index dropping from 113.2 to 112.3.

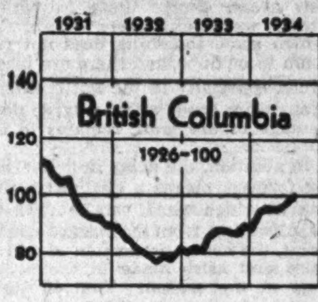
Construction contracts were at the highest point of the year, the total being $1,460,000 compared with $1,232,000. Building permits were at a lower level. The average daily electric output was 2,991,000 kw.h. compared with 2,638,000. The index of employment advanced one per cent after seasonal adjustment. Bank debits dropped off in August, the index being 120.7 compared with 139.9. Sales of life insurance showed a decline.



Wheat receipts at country elevators were 30,776,000 bushels compared with 10,936,000, but the gain was less than normal for the season based on the experience of the last five years. The cash price of No. 1 wheat was 86 cents per bushel compared with 82, the adjusted index moving up from 51.9 to 55.4.

B.C. Advance Continues

British Columbia—Since the fall of 1932, recovery in British Columbia has been fairly well maintained without important setback. The index has recovered the height of midyear of 1931. In August the advance was extended further, the standing of the index being 100.7 compared with 99.7 in July.



A sharp gain was made in building permits, while construction contracts were at a lower level. The gain in the output of electric power was less than normal for the season.

Employment showed a decline, while bank debits recorded an increase of two per cent. The index of sales of life insurance dropped from 149.0 to 126.0. Trade through British Columbia ports after seasonal adjustment was not quite so active as in the preceding month.

Livestock in N.B.

The value of livestock and poultry on the New Brunswick farms last year is computed at $12,038,000, compared with $12,080,000 in 1932.

Commodity Prices

EVENT of the week in the commodity world was the opening, in New York, of the first organized tobacco market on the continent. First day's trading resulted in a turnover of 800,000 pounds with prices at about 29 cents a pound. The exchange is expected to prove a boon to tobacco companies in allowing them to make future commitments for their raw product.

Wheat prices at Winnipeg remained practically stationery during the past week and opened the current week at the same level. Adverse harvesting conditions were offset by poor export demand and weakness of outside markets.

	Latest week	Previous week	Same week last yr.
Cattle, cwt.	$5.50	$6.00	$5.00
Copper, lb.	.09	.09	.09
Cotton, lb.	.1285	.1295	.1015
Rubber, lb.	.1538	.1520	.0790
Sugar, raw, lb.	.0287	.0286	.0362
Silk, lb.	1.22½	1.15	1.95
Wheat (Man.) bu.	.82⅛	.82¾	.67
Coffee, lb.	.09¾	.09¾	.07¼
Hogs	9.00	9.50	7.40
Weekly Indices			
N. Y. Annalist	120.1	120.7	106.6
Fishers'	80.2	79.9	†63.6
N. Y. Journal of Comm.	77.8	77.7	72.6
Crumps (Brit.)	64.4	64.8	†63.4
U. S. Labor	77.5	77.8	70.5
Canada (D.B.S.)	72.3	72.1	...

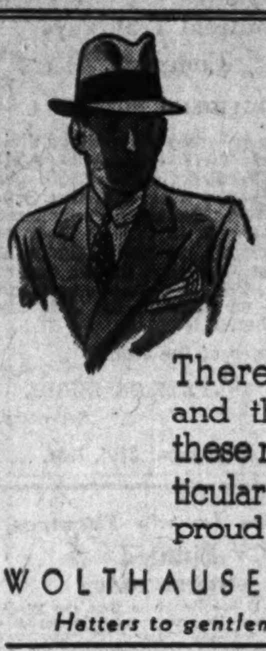
†Average, 1933.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.)			
Retail (August)	78.7	78.4	78.3
W'sale (August)	72.3	72.0	69.5
U. S. Labor (Aug.)	76.4	74.8	69.5
Gt. Brit. (July)	69.8	69.9	69.0

Note: Indices on all base 1926 = 100, except N. Y. Annalist which is 1913 = 100. British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis: hides—heavy native steers: coffee—Rio No. 7, spot, New York; hogs—select bacons, Toronto.



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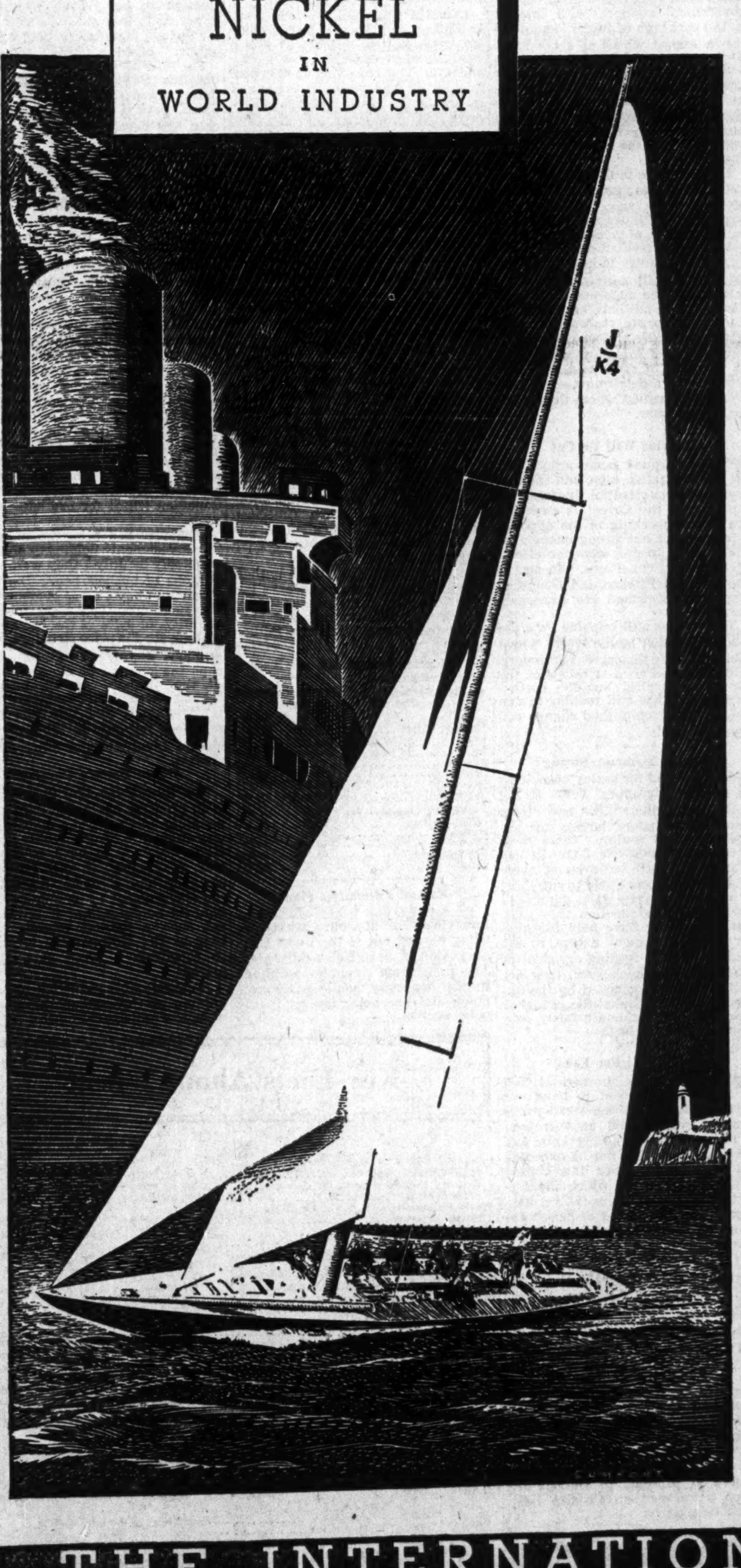
... CANADIAN NICKEL IN WORLD INDUSTRY . THE SHIPBUILDING INDUSTRY



NICKEL GOES A-VOYAGING

It may be a house-boat on the Nile, or a challenger for America's Cup off Newport, R.I. — a gigantic ocean liner or a row-boat with an outboard motor — whatever the type of boat, there you will find Monel Metal and Nickel freely used to meet the unusually severe strains and service imposed on metals in modern ship construction.

Gar Wood used Monel Metal for the propeller and propeller shafts of "Miss America X." The "Enterprise," one of the defenders of the America's Cup, used it for fastening the rigging to her masts. On the Empress of Britain, Nickel-Copper alloys are employed to lengthen the service life of condenser tubes. In liners and merchantmen you will find Monel Metal used for many purposes — in the galley providing sanitary and efficient working surfaces for food preparation and service, for the valves of steam and fuel lines, in the hospital and swimming pool for cleanliness and to prevent corrosion. Certainly a wide range of uses, but just a few of the many to which Monel Metal is put on shipboard.

Nickel Steels and Nickel Irons find their field of service wherever there are problems of severe stress and wear . . . wherever long life is essential to secure uninterrupted service and economy. In marine engines and power equipment their strength, toughness, and resistance to wear and corrosion eliminate break-downs, and reduce repair and maintenance expenses to a minimum.

The modern pleasure or commercial boat is truly a remarkable demonstration of the wide, varied and useful service to which Monel Metal and Nickel Irons and Steels are adapted. Throughout construction from the time the keel is laid until she pulls away on her trial trip, Nickel and Monel Metal are used in many different forms for many different uses to guarantee long life and uninterrupted service.

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"The Story of Nickel", an interesting booklet dealing with the history and development of Nickel, may be had without charge by writing to the Company at 25 King Street West, Toronto.

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ADVERTISER IS OPEN TO PURCHASE antique or very fine reproductions of French commodes with carved bronze mountings; also bureau, mirrors and decorations. Box 42, The Financial Post, Toronto.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 29th September, 1934, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the 1st day of October, 1934, to shareholders of record of the 20th September, 1934.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 16th August, 1934.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a Dividend of Three per cent., upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st October, 1934, to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,
Walter Gillespie,
Manager.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1934.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of November to Shareholders of record of the 22nd day of October, 1934.

On the Common Stock, Seventy-five Cents (75c.) per share, payable on the 15th day of November to Shareholders of record of the 5th day of November, 1934.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal,
September 24, 1934.

General Trust of Canada

Dividend No. 22

A dividend of 1½%, being at the rate of 6% per annum, for the quarter ending September 30th, 1934, on the preference stock of the Company, has been declared, payable on October 1, 1934, to shareholders of record on September 26th, 1934, at noon.

RENE MORIN,
General Manager.

Montreal, Sept. 22nd, 1934.

Silverwood's
DAIRIES LIMITED

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of one per centum (1%), being at the rate of 4% per annum, has been declared on the Preference Shares of the Company, payable October 1st, 1934, to shareholders of record at the close of business, September 20th, 1934.

By order of the Board,

J. H. GILLIES,
Secretary.

"CANADA DRY"

Ginger Ale, Incorporated
A Delaware Corporation

Dividend Notice

At the meeting of the Board of Directors of Canada Dry Ginger Ale, Incorporated, held September 20, 1934, a regular quarterly dividend of twenty-five cents ($.25) per share was declared, payable October 15, 1934, to stockholders of record at the close of business, October 1, 1934.

A. J. P. ESTLIN, *Ass't Secretary*

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable October 1st, 1934, to Shareholders of record as at close of business September 15th, 1934.

W. S. BARBER,
Secretary-Treasurer.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending September 30th, 1934, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record on Thursday, the 4th day of October, 1934, at 4 o'clock p.m. and payable on Monday, the 15th day of October, 1934.

By order of the Board.

PATRICK DUBEE,
Secretary.

Monday, September 24th, 1934.

Marcus Loew's Theatres, Limited

DIVIDEND NOTICE

Notice is hereby given that the Directors of the Company have declared a quarterly dividend on the 7% cumulative preference shares of the Company for the quarter-year ending 30th June, 1928, payable 1st October, 1934, to shareholders of record at the close of business 22nd September, 1934.

By order of the Board.

B. V. McCRIMMON,
Secretary.

Highland Dairy, Limited

PREFERENCE DIVIDEND NO. 19

Notice is hereby given that a Dividend of $1.75 per share for the three-month period ending Sept. 30th, 1934, being at the rate of 7% per annum, has been declared on the outstanding Preference Shares of the Company, payable on October 1st, 1934, to shareholders of record on the register at the close of business on the 22nd day of September, 1934.

By order of the Board.

M. MAYNE KENNEDY,
Secretary.

Toronto, Ontario, Sept. 24th, 1934.

IN THE KING'S BENCH

IN THE MATTER OF VAN-KEL CLEANSERS LIMITED, AND IN THE MATTER OF THE WINDING UP ACT, BEING CHAPTER 213 REVISED STATUTES OF CANADA, 1927, AND AMENDMENTS.

NOTICE OF SALE

BY TENDER

Pursuant to the Order of the Court dated the 14th August, 1934, sealed tenders marked "Tenders re Van-Kel Cleansers Limited" will be received by the Liquidator of the above named Company up to Twelve o'clock noon on the 31st day of October, A.D. 1934, for the purchase of the whole of the assets and undertaking of the said Company (clear of all encumbrances), and fully described in the said Order and including a modern plant, machinery and equipment and title to 160 acres of land containing deposits of volcanic ash, Silica, Pumices, etc; also quarrying and clay leases covering 140 acres of land containing similar deposits.

All tenders must be accompanied by marked cheque drawn upon a Chartered Bank in Canada, payable to the Liquidator, for ten percent of the amount tendered, the same to be applied on account of the purchase price if the tender is accepted, and the balance shall be payable within Ten (10) days after acceptance of the tender duly approved by the Court, and service of notice of acceptance as provided by the Order, and all tenders shall be subject to the terms and conditions of sale contained in the said Order. The highest or any tender not necessarily accepted.

Tenders will be opened in the office of the Master in Chambers at Swift Current on the 5th November, A.D. 1934, at 10:30 a.m.

A copy of appraiser's report may be inspected at the offices of the Liquidator at Toronto, Winnipeg, Regina, Edmonton and Vancouver.

Further particulars as to property and conditions of sale may be obtained from the Liquidator at Regina, Saskatchewan, or its Solicitor.

THE CANADA PERMANENT TRUST COMPANY,
Liquidator.

J. E. Friesen, Swift Current, Sask.,
Solicitor to the Liquidator.

Notice

Wednesday, the 29th day of August, A.D. 1934

BEFORE: J. A. Ellis, Esq., Vice-Chairman, and H. L. Cummings, Esq., Commissioner.

IN THE MATTER OF Section 91, of "The Ontario Municipal Board Act, 1932," as amended by Section 9 of "The Ontario Municipal Board Act, 1934," being Section 91a, subsection (13) of said Act of 1932, and

IN THE MATTER of the Proposed Agreement between the debenture holders of the Corporation of the Town of Fort Erie and the said Town of Fort Erie.

UPON THE APPLICATION of the said Corporation of the Town of Fort Erie, and upon consideration of the material filed,

THE BOARD ORDERS, under and in pursuance of Section 91a, subsection (13) of "The Ontario Municipal Board Act, 1932," as enacted by Chapter 39 of the Statutes of the Province of Ontario, 1934, Section 9, that Section 95 of "The Ontario Municipal Board Act, 1932," shall apply to the Corporation of the Town of Fort Erie, and that upon publication in the "Ontario Gazette" of this Notice, all actions or proceedings pending against the said Municipal Corporation of the Town of Fort Erie shall be stayed, and that hereafter no action or other proceeding against the said Municipality shall be commenced or continued, nor shall a levy be made under a Writ of Execution against the Municipality without the leave of The Ontario Municipal Board.

J. A. ELLIS,
Vice-Chairman.

What Are the Newspapers Saying?

No business man has the time to read hundreds of papers daily; to search their pages for informative data relative to himself or his business.

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Australia May Tax Flour To Help Wheat Farmers

Australian citizens will be assessed to help the wheat farmer if the recommendation of a Royal Commission appointed to investigate the wheat industry is adopted. It is planned to impose an excise tax on flour used within the Commonwealth. First recommendation in the interim report of the commission reads:

"That the policy applied to most other rural industries of ensuring better returns by means of the principle of a home consumption price of that part of the product consumed in the Commonwealth should be applied to the wheat industry."

The commission considers that the cost per head of an excise tax on flour would be small, but the help to the farmer would be considerable.

Wheat

Snow Causes Big Loss

WINNIPEG. — Snow and rain have blanketed the prairies with moisture to an extent that has brought practically all threshing to a standstill, with resumption on any large scale within ten days extremely unlikely. It has made inevitable a very large loss in grade in that portion of the crop remaining to be threshed, has made probable considerable loss of wheat from merchantable grades, and possible some very substantial losses. There are few areas, except those in which crops were extremely small, in which some threshing does not remain to be done, and there are large areas, especially in the north where crops were good, where a large percentage of the grain remains to be threshed.

In addition, the delay in deliveries by farmers means a decline in the rate at which wheat can be marketed, offsetting, from the market standpoint, the heavy proportion of deliveries and sales made in the early part of the season. That in turn means a lessening of the pressure on the market from new wheat.

* * *

Market Not Affected

SUCH circumstances would ordinarily have been expected to exercise a bullish effect on the market. That they have not done so is due to two widely different causes. One is the fact that the outlook for wheat production on the North American continent for next year appears to many observers to have been decidedly altered. True, the precipitation which has been received over the whole of the drought stricken part of the wheat area of the continent is far from adequate yet to restore depleted sub-soil moisture, but gives at least a good start. Without such a change panicky fears of an important shortage in wheat in the United States could easily have developed, and some of the fairly recent strength of the wheat market was based on calculations of such a chance. Both Chicago and Liverpool have been affected by the somewhat altered outlook.

The other important cause is the fact that the Winnipeg market has lately been receiving a good deal of government support, with interest on the part both of traders and dealers in export wheat at a comparatively low level. A falling off in deliveries by farmers meant therefore rather a lessening of the quantity of wheat which might have been absorbed by the government agency rather than any shortage of offerings to meet the requirements of buyers.

The latter are in no hurry to commit themselves to purchases, in view of the steady way in which the Argentine continues to press wheat on the market, at prices much below the Canadian level, the evident ability of that country to keep up heavy shipments until a new crop is received, and the apparent confidence there that conditions affecting the growing crop are reasonably satisfactory. British millers continue to buy heavily of Argentine wheat, and on the part of some of them there seems to be a determination to take no more Canadian wheat than is actually necessary.

* * *

Surplus Will Be Cut

THE continued poor outlook for the Australian crop, and the fact that some substantial increase in business to the Orient is expected are factors working in the opposite direction, but not strong enough for the moment to overcome the effects of Argentine conditions. So also is the fact that Russian and Danubian shipments of wheat are extremely small.

The outlook still remains for a decided alteration in the world wheat picture during the current crop year, with disappearance of much of the unwieldy surplus, but the corrective process has still months to run before the accomplished change can be substantial.

* * *

Barley Demand Strong

THE demand for barley of malting quality continues very strong both from the U.S. and from Canadian maltsters, largely for export shipment south. There have been many enquiries from British sources for such barley, and overseas markets seem likely to run short of supplies, due mainly to deficiency in Romanian production this year, but prices here have held too high for export shipment except to the south. While feeding grades of barley are much cheaper, they are still high priced, assisted by the absorption of large quantities of higher grades in malting, and a fairly substantial price for hogs.

* * *

Use Wheat For Feed

THE world-wide shortage of feed grains is expected to have important effects upon the bread grains situation by causing an increased quantity of wheat and rye to be fed. Such effects should not be expected too impatiently, since the United States corn crop, in which the biggest deficiency exists, is not yet harvested, and the period of heavy demand on it will not begin until the winter.

Poultry and Egg Board Proposed for Prairies

First organization under Natural Products Marketing Act in Western Canada is now being considered by the Federal Marketing Board. W. A. Landreth of Winnipeg and president of the Canadian Poultry Pool, and George Barr of Regina, have been interviewed on their proposed poultry and egg marketing scheme for the Prairie Provinces.

Two other schemes are being considered at present, an Ontario tobacco board and an Ontario bean marketing board.

B. C. Appoints Board to Control Marketing

Col. Eric Pepler of the attorney-general's department has been named chairman of a British Columbia marketing board, part of the machinery being set up for the control of marketing in the province.

J. A. Grant, provincial market commissioner, and Dr. Wallace R. Gunn, livestock commissioner, complete the board.

Grain and Milling in Canada

ALL CHIEF GROWERS HAVE MUCH LOWER WHEAT PRODUCT'N

Heavier World Shipments in Early Months of Crop Year

Estimates of 1934 wheat production recently issued and revisions of earlier estimates confirm the fact of important reductions in the European wheat crop as compared with last year, the current monthly review of the wheat situation issued by the Dominion Bureau of Statistics states. In addition wheat production in North America is currently estimated to be slightly smaller than the light yield harvested in 1933.

The chief importing countries of continental Europe—France, Germany and Italy—all have smaller wheat crops than a year ago. The French wheat crop is estimated at 305 million bushels as compared with a revised estimate of 362 million bushels for 1933. Wheat production in Germany is estimated at 161 million bushels as compared with 206 million bushels harvested last year. The Italian government has not officially estimated 1934 wheat production but private reports indicate a crop from 50 to 75 million bushels less than last year.

Decreased production as compared with 1933 is also reported from Czechoslovakia, Denmark, Switzerland and Austria. 1934 wheat production in the Danubian area is sharply lower than last year. Total production in Bulgaria, Hungary, Roumania and Yugoslavia is currently estimated at about 120 million bushels less than the outturn of 1933. Only from Spain and North Africa is a larger yield expected.

American Crop Small

According to current estimates of the 1934 Canadian and the United States wheat crops, total production in the two countries will be slightly less than in 1933. Total wheat production in North America is estimated at 780 million bushels compared with 807 million bushels in 1933 and 1,317 million bushels during the five-year period, 1927-1931.

In addition to smaller wheat crops in Europe and North America, current production statistics reveal smaller crops of corn, oats, barley and rye. The reduction in the production of feed grains is especially severe in the United States, where estimated production of corn and oats is far below production in 1933. It is difficult at the moment to estimate the amount of wheat which will be directed to the feeding industry as a result of short crops of other grains.

World Shipments Higher

The Wheat Advisory Committee in London estimates world import requirements for 1934-35 at 600 million bushels. During the first seven weeks of the present cereal year, world shipments of wheat and wheat flour amounted to 75 million bushels as compared with shipments of 69 million bushels during the corresponding weeks last year.

Argentine clearances have amounted to 28 million bushels as compared with 21 million bushels during the same weeks last year. Australian shipments since August 1 have amounted to 12 million bushels as compared with the same volume during the corresponding weeks last year. North American shipments (chiefly Canadian wheat) amounted to 29 million bushels from August 1, 1934 to September 17, 1934 as compared with 28 million bushels shipped during the same weeks last year. Russian shipments of wheat during the present cereal year have amounted to less than one million bushels.

Production estimates of leading countries follow:

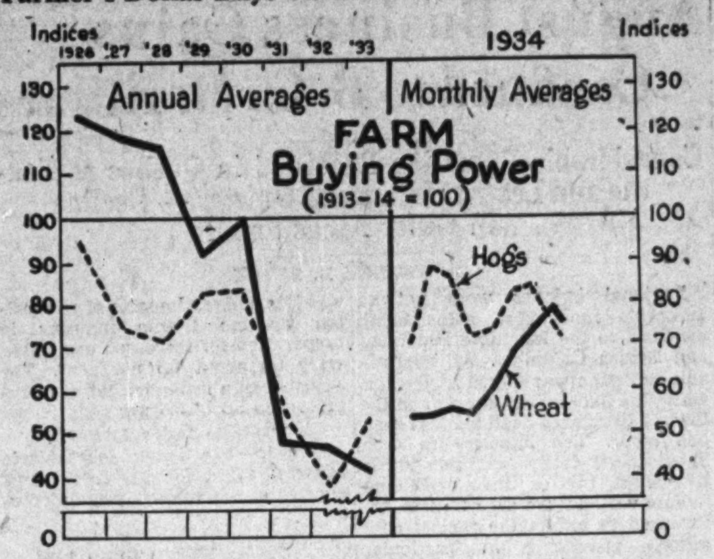
Wheat Production of Leading Countries
(In Thousands of Bushels)

	1934	1933
United States	493,000	528,000
India	349,365	352,875
France	304,970	362,238
Canada	277,000	269,729
Spain	173,675	138,234
Germany	160,824	205,918
Jugoslavia	73,487	96,581
Roumania	73,487	119,071
Great Britain	63,543	62,235
Hungary	61,067	96,356
Poland	49,900	68,343
Czechoslovakia	47,400	72,895
Japan	43,307	38,611

Extend Edmonton Plant

Extensions and plant alterations involving a cost of around $20,000 are being carried out at the Swift Canadian Co's. plant in North Edmonton. The programme includes additions to the hog pens, while some new floors also are being placed in the older section.

Farmer's Dollar Buys 75 Cents Worth of Manufactures



Buying power of wheat and hogs for Prairie farmers, at September 17, was approximately 75 per cent of the 1913-14 level, according to a compilation of the Searle Grain Co., Winnipeg. The compilation is based on wheat prices at country points and hog prices at Winnipeg, these prices being compared with the price of 150 items of "Things Farmers Buy." The price of wheat was actually 94 per cent of the average for 1913-14 but the cost of things farmers buy had risen almost 30 per cent above the 1913-14 level.

Heavy Government Buying Deters Regular Traders

Failure of Wheat Price to Maintain July Level Forced Traders Out — Now They Are Staying Out Until Government Position Clear

From Our Own Correspondent

WINNIPEG, — Operations of the Government agency in the Winnipeg market are attracting a good deal of attention, and it appears to be taken for granted that its purchases have lately been extensive.

During the summer there was a general assumption that the reduction in Government holdings at the end of the year would be substantial, both because there seemed to be a steadily increasing interest in the market by exporters, traders and speculators, and because of the reduction in carry-over which was expected to take place. But the latter did not materialize, both because export business was somewhat smaller than had been expected, and because farmers delivered much more wheat than had been anticipated, partly because the previous crop had been under-estimated and partly because farmers proved to have some millions of bushels more wheat in reserve on their farms than statistics had accounted for.

Traders Disappointed

It did not, therefore, prove to be necessary for the Government agency to let go any very great quantity of wheat to supply the actual needs of the export business that was done. Consequently much of the reduction in Government holdings resulted from purchases by dealers and traders who felt an increased degree of confidence in the market. A portion of that support has since evaporated, partly on account of disappointment resulting from the failure of the market to hold levels reached in July, and partly because overseas buyers appear to have changed their minds and decided that there need be no hurry in protecting their needs for Canadian wheat for use later in the year.

Whatever had been the reduction in Government holdings, and undoubtedly by July 1 they were many millions of bushels below the peak, a dearth of buyers was evident when the new crop began to move in quantity, in spite of the brightening outlook for the price structure. Government buying of futures—or so runs the opinion of close observers of the market—was resumed, although there is little agreement as to its extent, and this was much discussed not only in Winnipeg, but also in Liverpool and other market centres.

Other Buyers Deterred

The knowledge that such buying is in progress has a deterring effect on other buying. Thus Government operations are caught within a circle from which it is hard to see the way of escape. It will require a stronger and a wider market for the Government to be able to liquidate its holdings, and it is hard to get such a market established so long as the Government is known to constitute a large part of the market.

A considerable reduction in actual volume of Government holdings is of course anticipated during the current crop year, for if Canada does anything like the quantity of export business that is hoped for, there should be a very substantial reduction in the Canadian carry-over. But it is also hoped that there may be a reduction in the proportionate amount of Government holdings.

Complete Liquidation Unlikely

There would be few optimistic enough to believe that complete liquidation will be accomplished during the current crop year, but a change bringing the Government position to a point where it would represent a minor, instead of a major part of outstanding commitments would be regarded as making for a healthier condition, and one more likely to attract support from other sources. But it must be admitted that conditions likely to bring about that result are not in sight at the moment, however soon they are to develop.

Profit or Loss?

A short time ago there were many calculations as to the amount of money that might be made from the operations in question, and the method of its disposal. Now there is rather a tendency to wonder at what remote date the operations in question are likely to be brought to a conclusion, and whether in the long run such operations can be conducted without incurring losses. The benefit has already been experienced from a sharp rise from price levels at and below fifty cents a bushel, at which a good deal of stabilization wheat was acquired, and from a large drop in the value of the Canadian dollar, which must be classed as non-recurring items in the profit and loss account.

Stabilization buying, however well meant, creates special difficulties. It places on the agency conducting it a responsibility for the price level, or rather for the difference in price level between Canadian and other markets. Too wide a difference may tend to dry up trade, and throw business to competing countries, while too narrow a spread may be a sacrifice of some of the price that might have been obtained for quantities moving in export trade. If made at the opening of the market such purchases may hamper the operations of exporting firms, attempting to cover over night transactions. If made at the close of the market they may run prices up so far as records are concerned, without much changing the effective level at which the bulk of business is done.

Effect on Markets

Last year was, to some extent, free from criticism on the ground that Government operations prevented a larger export business being done. Although Canada did not fill the quota of 200,000,000 bushels allotted her under the London Wheat Agreement, she came fairly close to doing so, and if this country was to observe its obligations not much additional wheat could have been exported. But during the current year, when Canada's freedom of action is greater, and when there are apparently larger opportunities for sale, if a satisfactory export business does not materialize, attempts will inevitably be made to analyze the effect of Government operations.

It will be difficult to prove much, however, or to establish, for example, whether the wide spread between prices for Canadian and Argentine wheat results from Canada's action in holding prices high above the Argentine level, or the latter country's action in undercutting Canadian prices to the full extent necessary to get all available business.

Key Facts About Wheat

	Week bu.	Previous Week bu.	Same Week Year Ago bu.
Canadian Wheat in Store:			
Fort William, Sept. 21	60,402,884	57,460,188	64,443,674
Country elevators, Sept. 14	84,837,080	77,426,124	82,415,118
Total, all points, Sept. 21	224,941,484	217,376,379	218,442,464
World Shipments, incl. flour, Sept. 17:			
North American	4,759,000	3,103,000	3,771,000
Argentine	4,208,000	4,538,000	1,763,000
Black Sea*	......	464,000	1,800,000
Australian	1,196,000	1,347,000	1,431,000
Total, world	11,107,000	10,252,000	9,333,000
Visible Stocks:			
United States, Sept. 17	111,960,000	115,511,000	147,289,000
Australian, Sept. 14	36,495,000	38,520,000	16,248,000
Argentine, Sept. 14	18,370,000	19,105,000	10,655,000
Country Marketings and Exports:†			
Canadian exports, Sept. 21	3,402,691	2,878,624	3,887,203
Cum. to Sept. 21 (8 weeks)	23,651,085	20,248,394	25,386,891
Country marketings, Sept. 7	15,573,590	16,491,316	10,520,340
Cum. to Sept. 7 (6 weeks)	47,100,627	31,527,037	37,658,302
Country deliveries, Sept. 21‡	9,740,000	21,321,000	11,338,000
Country loadings, Sept. 21‡	8,282,000	13,262,000	7,786,000

*Includes South Russia. †Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to Sept. 25

Crop year from Aug. 1, 1934 High	Low		Open Sept. 19	High for week	Low for week	Close Sept. 25
		Wheat				
.95	.80¼	October	.82⅜	.83⅛	.81¼	.82⅜
.97	.81	December	.83	.83⅞	.81¾	.83
1.00½	.85⅛	May	.87⅝	.88¼	.86¾	.87¾
		Oats				
.48	.40⅜	October	.44⅝	.46⅝	.44¼	.45¼
.47⅞	.40⅛	December	.44	.45⅛	.43	.44¼
.49⅝	.41⅛	May	.45⅜	.46⅞	.44⅝	.45¾
		Barley				
.64⅜	.49⅝	October	.57¾	.58	.55	.56¼
.63¾	.51	December	.57½	.58⅜	.55¾	.57⅛
.65	.57¼	May	.59	.60¼	.57⅞	.59⅜
		Flax				
1.73½	1.41¾	October	1.45¼	1.48⅛	1.41¾	1.42¾
1.74¾	1.43½	December	1.51	1.51	1.43½	1.45¼
1.73½	1.50	May	1.57	1.57	1.50	1.52
		Rye				
.76½	.61¾	October	.65⅜	.65⅞	.62	.62⅞
.77	.62⅞	December	.66½	.67	.63½	.64⅜
.80⅛	.67	May	.70	.70¼	.67	.68

Tariff Board Considers Duty Revision Requests

Tariff Board hearings being held this week include the following:

Sylvestre Manufacturing Co., Lindsay, for a reduction in customs duties on motor car wheels, spark coils and carbureters.

Application by the United Kingdom Government for a downward revision in the tariff on wooden doors.

Hallman Sable Co., Toronto, for an increase in the intermediate and general tariff on rabbit skins.

Wilson Coal and Coke Co., Calgary, for a reduction in the tariff rates on refrigerated milk coolers.

Montreal Population Up

The population of Greater Montreal, according to the estimate of the publishers of Lovell's Montreal Directory, has increased during the past year by 14,399. The directory for 1934-35 now estimates the population of Montreal and surrounding district at 1,347,905 persons.

MACARONI PLANTS TRY HARD WHEAT AS DURUM SCARCE

Heavy Premium Paid on Canadian Durum by U.S.A.

From Our Own Correspondent

WINNIPEG. — Prices for No. 1 amber durum wheat are still approximately 14 cents a bushel over No. 1 northern, and No. 3 durum commands about the same price as No. 1 hard. In Minneapolis the premium for durums over the top prices for other varieties has been approximately 20 cents, with $1.33 per bushel lately paid. Importation of Canadian durum wheat costing 95 cents per bushel at the head of the lakes, plus duty of 42 cents per bushel, has therefore been quite practicable.

With a production this year of less than 7,000,000 bushels of durum wheat against normal domestic requirements for macaroni manufacture of about four times that quantity, the United States could absorb every bushel available in Canada. There has been some extremely eager buying of durums in the Canadian market for the account of United States semolina mills (durum wheats being ground into semolina which is considerably coarser than flour), alternating with periods of slacker demand.

Little Forward Buying

Explanation of the latter condition appears to be that neither mills nor macaroni manufacturers are prepared to stock up very heavily, regardless of prospective scarcity later on. Lack of adjacent storage space is one difficulty, while limited financial resources of some of the smaller manufacturers is also a factor. Banks lending against stored grain ordinarily require it to be hedged, but it is difficult to effect a satisfactory hedge of durum wheat, because of the wide fluctuation in spreads between prices for it and for the contract grades.

Both in the United States and in Continental Europe most macaroni products have been made of durum wheat. Hard bread wheats can also be employed, although these cannot give the dark color accepted by consumers as a mark of quality. Efforts are now being made by mills in the United States to push the use of other wheats than durum, and it would appear that this practice will have to be largely followed in Europe if macaroni supplies are to be kept up to anything like normal quantities.

Karl Conger Appointed to Dominion Fruit Branch

Karl B. Conger, of Ottawa, who for twenty-two years was manager and secretary-treasurer of the Dominion Fruit Exchange, has accepted a temporary appointment as assistant chief of the markets and transportation division of the fruit branch, Dominion Department of Agriculture. He will take over his new duties at once.

Since the recent death of George E. McIntosh, Dominion fruit commissioner, Roy L. Wheeler, chief of the markets and transportation division of the fruit branch, has been acting commissioner, and consequently it was necessary to have experienced and qualified assistance in the marketing and transportation division.

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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Loblaw, Goodyear

Do you think the time is right now to invest in such stocks as Loblaw "A," Goodyear Tire common and Dominion Stores?

Last spring Loblaw "A" stock was raised to $1 a share dividend basis and the dividend was earned with a good margin in the preceding year. Earnings are stable, apparently.

Dominion Stores has in recent years been cutting out the stores which have not been showing a profit and apparently by this process, since the middle of 1933, it has been showing a gradual improvement and many operating economies have been made.

Goodyear common stock dividend has been raised to a basis of $5 a share and earnings last year were even greater. In the first six months of 1934 the company's sales of tires were 65 per cent higher than the same period in 1933. The company has a very strong working capital position and its surplus earnings are very large.

In all these cases management is good, marketability excellent and trend of earnings favorable.

International Power

I notice that International Power preferred stock is selling at a low figure and wonder whether or not you consider it advisable to purchase in order to average up my costs on this stock. If I sell my present holdings, am I entitled to the arrears of dividends when they are paid? Also can you tell me what are the prospects of the company paying a dividend in the next two or three years.

International Power Co. recorded some improvement in its position last year, though the balance sheet indicated that its debt to the bank still constituted a heavy liability. Everything is being done by the management to reduce this liability and until it is cleared off the books, it is unlikely that anything will be done in the way of paying a dividend on the preferred stock.

The outlook of International Power is indeterminate and whether or not more stock should be purchased at the present level in order to average prices is a decision which should be made by the individual investor. If you purchase the preferred stock, you become entitled to all the dividends which have accumulated on the issue. In other words, if you sell stock, you lose any rights which you may have to the arrears of dividends.

It is difficult to say if the company will be in a position to pay dividends in the next two or three years. As already mentioned, a great deal depends on the success of the management in clearing off its bank loan. This can be done in either one or two ways, namely, through additional financing or through the repayment of the loan out of surplus earnings. The latter step is necessarily a somewhat lengthy one, while the prospects of carrying out additional financing at this time are not promising.

Eucozone

I wonder if you can give me any information about the Eucozone, Ltd., whose office address is 203 Guarantee Trust Building, Windsor, Ontario.

I understand this company has been operating to some extent in the U.S. selling a form of pharmaceutical products, and is more recently organizing in Canada. They are advertising for salesmen and require an investment of $500 in their company. Just why the $500 investment is required in connection with the salesmen, we do not know.

Any information you can give us will be very much appreciated.

We have been making enquiries among those familiar with the drug business in Canada but have not yet obtained the information you desire.

Scores of cases have come before us in the past where firms have advertised for salesmen and have required an investment of a substantial amount. And in most of the cases which have come to our attention, those who made such an investment have not found it satisfactory.

Duke-Price Power

I am considering purchasing the bonds of the Duke-Price Power Co., but before making any commitment would like to have a report from you as to the ability of the company to pay its bond interest charges.

Duke-Price Power Co. has consistently reported earnings sufficient to take care of all its funded debt charges. Last year the income statement showed that interest was met by a substantial margin, despite the fact that the company suffered a loss of revenue during the greater part of the year, from its Price Bros. contract. The 1933 statement was of value in showing that the company was able to carry on and maintain the position of the first mortgage bonds despite the loss of revenue from this source.

Canadian Canners

What are the positions and prospects of Canadian 1st preferred stock?

The total bonded indebtedness of Canadian Canners is $3,262,000 and is entirely covered by net current assets alone with $814,517 to spare for $3,884,850 1st preferred outstanding.

Net earnings from operations of Canadian Canners for the year ended Feb. 28, 1934, amounted to $804,002, after providing for government and municipal taxes, as compared with $729,017 in the preceding year. Depreciation transfer from earnings was $250,000, an increase of $50,000, and net profits remaining after bond interest, except $702, were all expended in dividends of $233,068 on first and $109,118 on second preferred stock.

Sales were increased in a highly competitive market. During the year bank obligations were reduced substantially from $1,856,123 to $596,614, and bond interest was earned 2.62 times after depreciation.

From 1931 to 1933 were difficult years for all canning companies and during the period Canadian Canners reported deficits after dividends were paid. The year 1932 was particularly difficult and a net loss of $103,136 was shown and after depreciation and exchange only about half the bond interest was earned.

Since 1932, however, conditions have improved materially for all canning companies, and inventories have been substantially reduced. The present year does not promise heavy crops in any canning line, while there are rather definite indications of some shortages. With half the year to go increased earnings, however, appear likely. Increased prices are expected to make up for drop in size of pack.

A Western Woman

As I have had a small legacy, I come to you for the first time to see if you might be able to help me invest it. I am a farmer's wife and although you are prejudiced against the Western farmer, perhaps by now you have a little pity for us in our distress. I would like to buy something that would bring quick returns.

You are quite wrong in supposing that The Financial Post is prejudiced against the Western farmer. Quite the contrary is the case; he has no warmer well wisher. Any enduring improvement in the prosperity of any section of Canada is good for all of Canada, and for that reason alone, if for no other, The Financial Post would favor any sound policy which would aid the farmer. It is opposed only to those policies which in its judgment would in the end leave him in a worse position than before.

You should hold on to your legacy, or be satisfied with the moderate income on the strongest bonds. If you use it in a speculation in the hope of getting quick returns you stand a chance of losing the whole thing. Even with the best investments one has to be careful. Eastern capitalists found that out in this depression even before the Western farmer received his drubbing. East and West entered the depression together and may emerge the same way.

Brazilian

Is there a likelihood of Brazilian resuming dividends in the near future, or is it likely to prove a dead horse?

It is a difficult matter to speak of the prospects of Brazilian Traction Light and Power Company at present. It has not paid dividends in the last few years, partly because of the depreciated milreis and partly because the government would not permit money to be sent out of Brazil for the payment of dividends.

It had been hoped that, as the trade position of Brazil improved, the company would have larger earnings, the milreis would improve in value and the chance of dividends would be greater. There has been some improvement in the Brazilian situation, but the recent gold decree which prevents Brazilian from collecting on a gold basis for many public services has thrown the whole rate structure into confusion for a time. It has made it necessary to establish temporary rates and negotiate other agreements payable in Brazilian paper milreis. One has to watch how this works out before being able to come to a final conclusion about Brazilian.

So far as Brazilian's operating position is concerned, it has continued to make some money on the common stock, even though net is about 1/3 of the amount made three years ago. It is firmly entrenched in Brazil and so long as there are no antagonistic political movements against foreign companies, it could be expected to have an excellent opportunity for recovery in a time of active business. The present government got in by revolution and two rebellions against it have occurred since it was established. Apparently it is firmly in the saddle at the moment, as constitutional government has been resumed under Dr. Vargas, the successful revolutionist, but at this distance it is difficult to assess whether there is real political stability until election day comes.

Corporate Investors

Will you kindly give me any pertinent information you have on Corporate Investors so that I can decide whether the shares of the company are a sound investment?

Corporate Investors Ltd. is a comparatively small investment trust of the management type. At April 30, 1934, it had 24,047 shares outstanding, compared with 9,720 in 1933. The trust has grown substantially in the last year or two.

The policies of the trust are conservative, and profits on securities are not taken into income account but are used to build up an investment reserve. The management and directorate of the trust is of high quality.

The investments of the trust were shown at April 30, 1934, as $116,738, being the cost value, less investment reserve. This figure was not in excess of market value. In the year ended April 30, 1934, total income was $4,972, and after deduction of expenses and taxes net income was $3,223. Dividends of $3,074 were paid.

Investments were divided almost equally between bonds, preferred and common shares and appreciation in value of investments amounted to about seven per cent at April 30. Care is believed to have been taken in obtaining diversification of investments. In the last year, it is believed, common shares are being made a more prominent feature of the portfolio. This is now being done because the assets of the trust have grown substantially, and the directors, therefore, feel that they can exercise greater latitude.

While the trust is young, it is growing, and it operates on lines established as successful in British investment trust practice.

Lake St. John Paper

What action is likely to be taken by the directors of Lake St. John Power and Paper Co. to pay interest on the first mortgage bonds? Do present operations permit the payment of this charge?

Official information is to the effect that at present Lake St. John Power and Paper Co. is earning its bond interest. Some reduction has been made in bank loans, and until this obligation is cleared off the books, it is likely that the company will want to conserve its cash resources. As you are aware, interest payments on the first mortgage bonds were to be paid out of income only up to August 1, 1934. No payments were made. Interest is now cumulative and payable at the end of each six months period from the beginning of last month. It is too early for the management to make a decision as to what steps will be taken to meet this charge when it becomes due. It is possible that another meeting of the bondholders will be called to authorize the directors to defer payment of this charge until such time as the company has built up its working capital position.

Massey-Harris Preferred

What is the advantage of Massey-Harris Co. 5% preferred that is now quoted at $19.50 per share? Is this a good investment?

Nothing has been earned on Massey-Harris 5 per cent preferred stock since 1929 when $22.11 a share was shown. A dividend was paid in the following year but far from earnings being available for that stock, the company has not been able since that time to have operating earnings even before bond interest due on more than $9,000,000 of bonds outstanding.

The company's position in 1934 to date has been better than for some years but it is doubtful if it has yet got in a position where it is making any profit even before bond interest.

The company is strong and ably conducted and in a time when farmers' purchasing power revives, it should be able to give a good account of itself. The main consideration in deciding whether or not to make a speculation in this company's preferred stock is whether one is willing to wait for such a period and also whether this period is likely to be long delayed or not. A few good years for the farmer would put this company back on its feet but delay might make necessary some reorganization. At present there is no talk of such reorganization by directors, but until the bonds are being serviced easily and continuously from earnings it is premature to speak of the preferred stock as an investment. It is a speculation looking to world recovery and lowering of international barriers against Canadian farm products in the ultimate analysis.

Dominion or Beauharnois

I hold Dominion of Canada bonds maturing in 1937 and wonder whether I ought not to take advantage of the high price and invest in bonds such as the Beauharnois 5½'s recently offered to the public?

Your 1937 Victory bonds sell at a peculiarly high price, first because they are tax free, and second because they are short term bonds, and are desirable for purchase by institutions. You are probably not gaining an advantage from either of these factors so that you might benefit by taking advantage of the present high price and investing in some longer term security where the yield and the amount invested are greater. This might be done by investing in some other Dominion of Canada issue or in other securities. It is expected, however, that the full first mortgage interest on Beauharnois 5½'s will be covered in 1934 and thereafter, because of the increase in the company's deliveries of power to the Ontario Hydro-Electric Power Commission. The company's power is sold chiefly to Montreal Light, Heat & Power and to the Ontario Hydro, the two largest retail distributors in Canada. The contracts with these distributors are estimated to be of sufficient value to more than cover the full bond interest. While the Ontario Hydro has signified that it intends to return to a policy of obtaining most of its power from Niagara, the contract with Beauharnois is believed to have had close legal scrutiny and is believed to be binding on the Ontario Commission. From these contracts, it appears that interest on the Beauharnois 5½'s is well secured.

General Brock

I hold six per cent bonds of General Brock Hotel Co. and understand there has recently been a change in the capitalization. What disposition should I make of my bonds in this connection?

General Brock Hotel Co. has been re-organized. Bondholders have approved a scheme whereby new interests supply working capital and provide management for the property.

The capital of the hotel company prior to the re-organization consisted of $922,000 of six per cent first mortgage bonds and 30,000 common shares outstanding. Under the new set-up, there will be a first mortgage for $250,000, and bondholders will accept second mortgage bonds for three-quarters of the amount of $922,000. The other one-quarter of this amount is to be paid them in cash. There will also be $50,000 of preferred stock for which cash is being paid and 78,000 shares of common stock of which 48,000 will be held by the new interests, giving them control.

Bondholders are required to turn in their first mortgage bonds to the Montreal Trust Co., Toronto, and receive in exchange for each $1,000 of bonds, $250 in cash and $750 in new second mortgage bonds. The new second mortgage bonds mature in 20 years and carry interest at three per cent. For the first three years, however, this interest will be payable only if earned, so that the bonds are virtually income bonds for that period. After the three years, the three per cent interest is a fixed charge.

Montreal Power

I hold ten shares of Montreal Light, Heat and Power Consolidated and would like to know if the company is maintaining its position.

Montreal Light, Heat and Power Cons. has an established record of earnings and its income to date has been more than sufficient to cover dividend requirements. Current reports on operations indicate that sales of electricity are somewhat higher this year. Gas sales are slightly less than in 1933, though recent indications point to an increasing consumption of this product.

St. Catherine-Stanley

Will you be kind enough to let me have a report on St. Catherine-Stanley Realty and if there is any market for its bonds?

We are given to understand that it is very doubtful if St. Catherine-Stanley Realty will be able to meet the November bond interest coupons.

On April 16 last, the bondholders were informed that the May 1 coupon would not be paid. At the time it was suggested the bondholders might take any action they desired, but, in any event, it was suggested they send their names in to the secretary of the company, so that they might be kept fully informed as to any further developments.

Toward the end of June another circular was sent out to the bondholders, together with a copy of the annual statement. This statement showed that as of April 30, 1934, the sinking fund was in arrears to the extent of $37,617. A further sinking fund payment of $12,788 was due on May 1, but this was not met.

So far as taxes are concerned, the company is not in arrears.

As already indicated, St. Catherine-Stanley has paid no interest on its bonds since November 1, 1933. At the present there is a nominal bid of 29 on the first mortgage bonds.

B. C. Power

Among my securities are a few shares of B.C. Power Class A and Class B stock. Are earnings of the company sufficient to take care of the dividend on the senior stock?

B.C. Power Corp.'s report for the year ended June 30, 1934, indicated a small increase in net earnings. Income available for distribution on Class A stock amounted to $1.65 a share, as against dividend requirements of $1.50. In so far as the A stock is concerned, the company should have no difficulty in maintaining the present dividend rates. Some time will necessarily elapse before the company will be in a position to pay anything on its B stock, but this does not detract from the investment merits of the more senior security which you hold.

Stop & Shop Sales Up for First Half

Stop and Shop total sales for the first six months of the current fiscal year were reported at $3,282,362 as against $3,188,317 for the first six months of 1933, or an increase of 2.87 per cent.

Sales for the four weeks ending September 8, 1934, were $394,813 as compared with $395,095 for the same period in 1933.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Macassa Mines

From what you know of the management of Macassa Mines, would you say that this company offers a fair opportunity to the investor? What is their financial position?

Macassa is directed by experienced men, headed by Robert A. Bryce and the property's mill is treating about 200 tons of ore per day, and in the first five-and-one-half months of operation showed a profit of $158,002. The property is situated on the main break of the Kirkland Lake camp, the largest gold producing area in Ontario. The balance sheet, as at March 31, 1934, shows current assets totalling $291,386 and current liabilities totalling $74,556. In addition, there are deferred accounts due on machinery contracts of $29,430. The company has no liabilities in the nature of loans, advances or purchase money due on the property. The company has an authorized capitalization of $3,000,000 divided into $1 par value shares, of which 2,627,988 were outstanding as at March 31, 1934.

Central Patricia

Please let me know something about Central Patricia Mines. When will this company start paying dividends?

While it would, of course, be impossible to say with any degree of authority when Central Patricia Mines will start paying a dividend, the company is expected to show a profit from the outset of its operations. The mill is handling an average of about 50 tons daily, with mill-heads running .86 oz. a ton and recovery averaging 80 per cent. The company is particularly fortunate as regards power, inasmuch as the Hydro-Electric Power Commission of Ontario is completing a new power development on the Albany River, near the property, which allows Central Patricia to cut its power costs by more than 50 per cent, making for lower operating costs. At present the company is generating its own power. Development work is being concentrated on the 250-ft. level, with ore averaging about one ounce to the ton. The company has a capitalization of $2,500,000 in $1 par value shares. Of this, $2,131,000 was outstanding as at Dec. 31, 1933. The balance sheet at that time showed current assets of $119,754 as against current liabilities of $9,043, leaving a working capital of $110,711.

Wright-Hargreaves

What is Wright-Hargreaves dividend position? Will this mine ever be a big producer like Lake-Shore?

Dividend payments by Wright-Hargreaves in the past few years have exceeded the expectations of its most optimistic shareholders. The story of the comeback staged by this Kirkland Lake producer is one of the most remarkable in the history of Canadian mining. In 1929, owing to diminishing ore reserves, the company curtailed its production and started an aggressive development programme, to the end that ore reserves were built up to the point where the tonnage of ore treated was gradually stepped up. In a deep exploration programme between the 2,250 ft. and 4,000 ft. levels success was met with that greatly increased the possibilities of the mine and work has been concentrated on the development of these low levels. At the end of 1933 the ore reserves of this company were estimated to be 998,461 tons, with a value per ton of about $13.75. While figures are lacking, it is known that these ore reserves have since been considerably increased, about three tons of ore being developed for each two tons of ore mined. In answer to your question as to whether or not this mine will ever be "a big mine" we can only point out that the mill is currently handling about 1,000 tons of ore daily, whereas Lake Shore, to which you refer, is handling about 1,300 tons per day.

Clericy Consolidated

Please tell me something about Clericy Consolidated Mines, so that I may have some idea of its investment possibilities.

Clericy Consolidated Mines, which operates as an exploration and development company, has resumed activities in many areas during 1934. The principal interest of the company in the past has been in its Pelletier Lake properties in Rouyn Twp., Que. In July of this year, diamond drilling was under way on the claims southeast of Wiltsey Coghlan Mines. An interest was purchased late in 1931 in the Cadillac-Pascalis Exploration Syndicate holding claims in Louvecourt, Senneville, and Malartic Twp., Quebec. The company on the point of view of management has nothing to be ashamed of and records to date indicate that they are making a genuine effort to make something of their numerous holdings. The company's head office is in the Carleton Chambers, Ottawa, and it has an authorized capitalization of 3,500,000 shares of no par value, of which about 1,000,000 shares have been issued after giving effect to reorganization and issuing of one new share for each four shares previously held. The company has a strong liquid position, assets of about $13,000 and liabilities of a nominal nature only.

Ventures Ltd.

As a regular reader of your paper, I would appreciate a brief report on Ventures Ltd. Is it a properly managed concern?

Ventures Ltd. is a widespread holding and exploration company, principally managed by Thayer Lindsley, with Halstead Lindsley, Major-General D. M. Hogarth and Colonel C. D. H. MacAlpine as his co-directors. While frequently critical of the market activities of the Lindsley group, The Financial Post admires the aggressive development and technical policy of this company. The consolidated income and surplus account of the company for the year ended Dec. 31, 1933, shows earnings per share of about 25 cents. The company has paid no dividends, neither is there any indication that a dividend basis will be assumed. The company has an authorized capitalization of 10,000,000 shares of no par value, of which about 7,868,965 are outstanding.

Rackets

Racket: "A trick, dodge, scheme, game, line or business or action." — Shorter Oxford English Dictionary.

Books and "Ads."

NOW that schools have opened again, the special type of racketeer who preys upon students, or more correctly speaking, students' parents, makes his appearance once more. Usually this is a house-to-house proposition with some smooth-tongued salesman or saleslady gaining entrance to the home through a letter supposed to have been written by the principal or teachers of the school which the daughter or son attends.

Preliminary palaver often consists of remarks regarding the progress being made by the pupil at the particular school. The parent immediately assumes that there is some connection between the visitor and the school. It is believed that the book or books about to be sold have been recommended and in some cases that it is absolutely necessary that the children have such books. Frequently they are led into signing contracts for a very expensive set of dubious literature.

Teachers have been warned to be on their guard against committing themselves in any way regarding books or school materials and their attention has been drawn to the public school act which states very definitely:

"The inspector shall not give to any person or body financially interested in its sale, a testimonial recommending any article of school equipment."

• • •

EVEN hard-boiled advertising managers of large firms sometimes get caught. Not long ago a whole series of frauds was disclosed in Ontario.

A salesman supposed to be representing some sort of a publication, sold fairly expensive advertisements right and left to firms operating in the Toronto, Windsor and Ottawa areas. It was when cheques given in payment, made out to the publication, were converted to the personal use of the salesman that the racket came to light. Many of the advertisements, which apparently were paid or partly paid for in advance, never appeared at all, but in a very few cases a special job edition of the paper had been printed. Of course such publicity was practically useless as the paper had no guaranteed or real circulation.

• • •

Bill Collector

IN A FAIRLY large western Ontario town the other day the telephone of a leading citizen rang. At the other end of the wire, a woman, posing as a bill collector, stated that she had been authorized by a certain doctor to collect his accounts.

A few years ago, if we can believe the tales of the average physician about his enormous lists of unpaid accounts, the lady would not have been taking much of a chance. In this particular case, however, the man did not owe for any medical services and when he asked who was speaking the woman put up the receiver.

The family physician of this family was immediately notified and he confirmed the suspicion of the enquirer by stating that no woman had been authorized to collect any accounts for him.

Loblaw Profit Gains Continue in New Year

Sales and profit of Loblaw Groceterias Ltd. continue to register gains over the corresponding period in 1933. For the four weeks ended July 28, sales were reported at $1,063,314 as against $1,000,060 for July, 1933. Profits during the same period were $43,877 as compared with $43,366 in 1933.

For the first eight weeks since the close of the last fiscal year on May 31, 1934, sales totalled $2,234,074 as against $1,986,921 for the corresponding period a year ago and profits were $103,000 in 1934 as against $19,632 in 1933.

Province of Saskatchewan
4% DEBENTURES
Due August 15, 1953
PRICE: 85.08 and interest, to yield 5.25%

These debentures will be direct obligations of the Province of Saskatchewan, and will be free from all Provincial Taxes and Succession Duties in that Province.

For further information, please telephone WAverley 3681

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The name "CANADA PERMANENT" has been respected in the world of business and finance for more than three-quarters of a century During that period the
CANADA PERMANENT MORTGAGE CORPORATION
and
THE CANADA PERMANENT TRUST COMPANY
have developed as institutions of nation-wide service, touching the life of Canadian communities from coast to coast.
The financial strength of the "Canada Permanent" is an asset to the Dominion. The conservative policies of its management are a comfort to thousands of Canadian families.
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Combined Assets Exceed $100,000,000.00

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LONDON, CANADA
63 Years in Business
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Make Mortgage Loans on Owners' Homes at reasonable rates of interest.
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LIMITED

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Rt. Hon. Viscount ROTHERMERE P. A. THOMSON J. B. WOODYATT
W. J. BLAKE WILSON (*Died June 22, 1934*)

Secretary: E. ROGERS *Treasurer:* E. H. ADAMS

CONSOLIDATED BALANCE SHEET

as at June 30th, 1934

ASSETS		
Current and Working Assets:		
Cash at Bank and at Call	$1,426,076.62	
Accounts Receivable	1,363,202.84	
Insurance Unexpired and Prepaid Items	204,812.61	
Employees' Housing Loans, Mortgages, etc.	435,161.29	
Stores, Materials and Supplies	1,644,051.72	
	$5,073,305.08	
Investments at Book Value (market value at June 30, 1934, $2,405,981.00)	2,527,132.37	
		$7,600,437.45
Bond Discount—Balance		318,620.00
Property Account: Less Provision for Depreciation and Renewals		113,571,231.76
		$121,490,289.21
LIABILITIES		
Current and Accrued Liabilities:		
Accounts Payable, including Reserve for Income Taxes	$1,916,410.53	
Debenture and Bond Interest accrued	500,697.05	
Dividends declared, since paid	619,600.00	
		$3,036,707.58
Bonded Debt		38,834,697.99
Capital Stocks of Subsidiary Companies Held by Public:		
British Columbia Electric Railway Co. Ltd.—5% Cumulative Perpetual Preference Stock	$6,984,000.00	
British Columbia Electric Power & Gas. Co. Ltd.—6% Cumulative Preference Shares	5,000,000.00	
Minority Shareholders of Subsidiary Companies	3,446.25	
		11,987,446.25
Reserves: General and Accident		1,230,981.61
Capital Stock and Surpluses (as per statement attached)		66,400,455.78
Represented by—1,000,000 Class A Shares and 1,000,000 Class B Shares, part of an authorized issue of 1,500,000 Class A Shares and 1,500,000 Class B Shares, both classes without nominal or par value.		
		$121,490,289.21

Approved on behalf of the Board: W. G. MURRIN, Director. GEORGE KIDD, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Books and Accounts of the British Columbia Power Corporation Limited and its Subsidiary Companies for the year ended June 30, 1934, and have obtained all the information and explanations which we have required, and we report that, in our opinion, the above Consolidated Balance Sheet as at June 30, 1934, is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Corporation and its Subsidiary Companies, according to the best of our information and the explanations given to us as shown by the books of the Companies.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

Vancouver, B.C., August 14, 1934.

CAPITAL STOCK AND CONSOLIDATED SURPLUS AND PROFIT AND LOSS ACCOUNT

as at June 30th, 1934

Capital Stock and Surpluses: Balance as at June 30, 1933				$65,365,764.59
Profit and Loss Account: Balance as at June 30, 1933			$1,009,260.51	
Year Ended June 30, 1934—Gross Revenue		$12,626,674.77		
Less—Operating Expenses, including Municipal Taxes	$6,065,548.08			
Provision for Depreciation and Renewals	1,825,202.01			
Provision for Income Taxes	518,723.23			
		8,409,473.32		
Net Revenue		$4,217,201.45		
Deduct—Interest on Bonded Debt, proportion of Bond Discount written off, Cost of Exchange, and Dividends on Preference Stocks of Subsidiary Companies		2,571,770.77		
			1,645,430.68	
			$2,654,691.19	
Deduct—Dividends on Class A Shares for the year ended June 30, 1934			1,620,000.00	
				1,034,691.19
Balance carried forward				$66,400,455.78

APPLYING the DOW THEORY

THIS investors' service has constantly applied the "Dow Theory" in its market forecasts.

Bulletins will be forwarded without cost or obligation, indicating the current market outlook and past record of the bulletins—a very interesting, practical example of the Dow Theory at work. Write today.

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In the Heart of the City
Fireproof Construction
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Rates in Keeping with the Times
220 Rooms

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The DELMONICO, exceptionally well-located for both business and social interests . . . An unexcelled residence for the day, week or month.

Single Rooms from $4 per day
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INTERNATIONALLY FAMOUS

HOTEL
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Park Avenue at 59th
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UNDER RELIANCE DIRECTION

Insurance for Buyer and Seller

MONTHLY SALES OF INSURANCE ARE REVISED

New Figures Exclude Annuity and Pension Bond Sales

A further revision of the method of reporting sales of ordinary life insurance in Canada has been made by the Sales Research Bureau of Hartford, The Financial Post is informed. The change makes an alteration of approximately $13,000,000 in the total for 1933 and affects also the individual sales figures for the first three months of 1934.

Reason for the change is the fact that some companies were reporting annuities and pension bond sales to the bureau. As the paid volume credit given for this type of business varies among companies, it was felt desirable to exclude this business entirely.

The new and revised figures, together with the figures which have been used heretofore in the Post for its monthly analysis of the Hartford totals, and which will now be dropped, follow:

Ordinary Life Sales
(In thousands of dollars)

	New Figures	Old Figures
1933:		
Jan.	29,928	31,114
Feb.	28,095	28,776
Mar.	31,768	32,046
April	30,591	31,666
May	31,916	32,938
June	34,114	35,217
July	32,165	33,006
Aug.	29,749	30,846
Sept.	27,443	28,335
Oct.	33,434	34,534
Nov.	36,061	32,067
Dec.	38,967	41,481
	384,231	397,026
1934:		
Jan.	27,728	27,925
Feb.	29,036	29,493
Mar.	32,564	32,966
April	33,296	No change
May	33,184	
June	32,277	
July	33,951	
Aug.	26,659	

INSURANCE TESTS CLASSES ANNOUNCED

Life, Fire and Casualty Study Groups of Insurance Institute

The educational committee of the Insurance Institute of Toronto announces that the following arrangements have been made to assist student members in preparing for the Institute's examination.

Life Branch — The Toronto High School of Commerce will provide night school classes for instruction in any of the subjects for the first examination for which a sufficient number of students register.

Casualty Branch—Certain of the classes mentioned above are applicable to students in the casualty branch and the casualty committee is making plans for helping students with their studies during the session.

Fire Branch—The fire committee has arranged for classes to be held in the C.F.U.A. board room from 5.15 to 6.15, two evenings each week, beginning early in October and continuing to the end of March.

Canadians Successful in British Examinations

A. M. Campbell of Montreal has qualified for an associateship of the British Institute of Actuaries according to May examination results announced in the London Times recently. Mr. Campbell completed section "A" part III of his examination.

Other successful candidates are as follows: Part 1, W. D. Patterson, Toronto.

Part II, Section "A," H. McLeod, Montreal; J. W. Ritchie, Montreal. Section "B," H. McLeod, Montreal; H. Mutch, Montreal; J. W. Ritchie, Montreal.

A feature about the results as reported in the London Times is that by far the largest number of successful candidates were either from Bombay, Madras or Calcutta.

Licenses Issued

London Guarantee & Accident Company has issued a certificate of registry, authorizing it to transact, in Canada, insurance against liability for loss or damage to persons or property caused by aircraft, in addition to the classes for which it is already registered.

Eminent Lawyer Attacks Saint John Conference

Insurance Meet Said to Mark Breach Between Interests of Companies and Policyholders

By V. EVAN GRAY, K.C.

The 17th annual conference of superintendents of insurance, held at Saint John recently, had the largest attendance of provincial government representatives ever gathered under these auspices. It undertook a most ambitious programme including consideration of proposed amendments to the uniform insurance statutes of the provinces, dealing with three branches of the business namely, life, fire and automobile.

Clash of Interests

I venture this general comment on the conference, in relation to the two sections of fire insurance and automobile insurance—that it represented a new and serious departure in superintendents' conference procedure, which I have not recognized in those of its predecessors since many years, namely a divergence of interest and representation between companies and policyholders.

If this is a fair and just observation, it is the most serious thing that has happened since 1921.

Are we at the end of the period when superintendents can rely upon the company representatives to advise them plainly of the policyholders' interest and defend that interest as their own? Saint John indicated that very thing.

Public Interest Sidetracked

In short there seemed to be lacking a long-distance view of legislative policy (in either direction) in relation to insurance legislation expressed by any insurance company representative whom I heard at the conference, and there was definite evidence of a willingness to serve a private interest at the expense of a public interest.

Another very dangerous indication was the apparent willingness of the conference itself to "tinker" with insurance statutes. Of the drafting of statutes there is no end and of opinions as to draftmanship there is no unanimity to be expected, but on the desirability of stability and leaving the law alone, except where demonstrable against public interest, there is no room for difference of opinion. The Saint John conference ignored this principle.

Fire Statutes Under Review

The uniform statutory conditions of fire insurance have been in force for about ten years. Apparently it was thought it would be a good thing to review them, though actual need of change does not seem to have been demonstarted by any obvious circumstances. Perhaps it is natural that the suggestions of change were made almost exclusively by the underwriters' representatives and company adjusters. At any rate most of the company suggestions which were rejected and abandoned when the present statutory conditions were framed in 1921 appeared once more. The definition of "Nujol" as a cleansing fluid alone relieved the tedium of the argument.

The companies were represented by able and first-class counsel but it is not really surprising that nothing new was found to be said about these old controversies, because the battles of ten years ago were keenly contested and fundamental questions like that do not change much with the years.

The real question was, as stated by Premier Tilley, whether the fire insurance contract should be a broad and fair one to which there should be a few defences save fraud, or whether technical requirements of things to be done or represented by the insured should furnish ground for rejection or contestation of claims.

Strong Opposition

The Canadian Manufacturers' Association, the T. Eaton Company, and the Canadian Credit Men's Trust Association were represented in united opposition to most of the companies' suggestions and the factory mutual companies associated themselves with the representatives of these other bodies in that opposition. W. G. Wright, a former insurance editor appeared as representative of the insured claimant and gave more spirit to the proceedings than any other element.

The provincial government representatives made an impressive appearance in numbers and interest but were very cautious in comment and presumably reserved their discussion and decision for private sessions. A two-column leader in the "St. John Telegraph" the day before the conference, presenting the views of W. G. Wright, seemed to have an important effect upon the whole proceedings and may have had something to do with President Hartley's early announcement that no changes in law founded on these proceedings would be recommended to the governments for the coming year.

Automobile Discussion Serious

The automobile section of the conference was less interesting but more serious. There, a lack of representation of persons or organizations interested in this branch of insurance legislation, except insurance companies, left the proceedings in the hands of the company counsel and representatives and, apparently, seriously handicapped the provincial government representatives who attended.

In this branch there is a uniform automobile insurance law now in force in eight of the nine provinces for two years only. This law was an outgrowth of the discussion of compulsory automobile insurance to which considerable public attention was directed a few years ago. The demand for legislative action on this matter was satisfied by the enactment of the motor vehicle financial responsibility laws recommended by the Hodgins Royal Commission in Ontario and founded on the so-called A. A. A. Bill of the United States. The new automobile insurance legislation of 1932 was a necessary supplement of this.

Background Forgotten

I think some representatives at the conference forgot this background of evolution or how important it had seemed to the companies three years ago to set this back-fire against the public demand for undesirable forms of compulsory insurance or state-indemnity funds.

In any event there was presented to the conference by counsel for the companies, suggestions for changes in the law in direct contradiction of principles adopted at that time, without any evidence or material to show wherein the legislation of 1932 had failed.

For example, the insurance coverage of the uniform automobile policy now covers every person using or responsible for the use of an automobile with the consent of the owner. The companies suggested the elimination of the words "or responsible for the use of" for the purpose, naively admitted, of depriving employees and other persons subject to a contingent liability for the operation of a motor car not owned by them, of the protection of the policy issued to the owner.

The purpose was to create a market for the so-called non-ownership policy coverage—at the expense of the employer—for a coverage he now gets without charge.

Repairing of Automobiles

Another suggestion involved the re-insertion of the provision eliminated in 1932 for the repair or replacement of a damaged car by the insurer, the effect of which would be to restore the old practice of repair of cars in the garage chosen by the company, irrespective of the wish of the owner, instead of the new practice of having cars repaired in the garage chosen or approved by the car owner himself.

A more serious suggestion had to do with a change in the insuring clause relating to bodily injury but I understand that this was abandoned after the printed report had been circulated, when its real significance became apparent.

The statutory condition relating to cars driven by intoxicated persons was also under review and what action was taken will not be known until the official report of the proceedings is published.

A very thorough review and redraft of the statute by R. Andrew Smith, K.C., of Edmonton was given a six-months' hoist but was usefully discussed after action on it had been officially postponed.

Should Be Further Study

I presume there will be time for further study of the action taken at Saint John before any recommendations are actually made to the provincial governments as, in any event, there certainly should be.

Furthermore, if in the near future conflict of opinion arises as to public interest in these matters of insurance law, and manufacturers' associations, boards of trade, bar associations and other organizations assuming to represent policyholders interests arise to challenge the decisions of the superintendents conference and the representations of the companies' legislation committee, I think the Saint John conference will be marked as the point of departure to that new phase from the satisfactory condition of unanimity in insurance contract legislation matters which has obtained throughout Canada in recent years.

Obituary

Afred Ernest Ames, president of A. E. Ames & Co., and one of Canada's foremost financiers, died Sept. 20 at Toronto. Mr. Ames was born at Lambeth, Ont., in 1866, started his business career with the Merchants Bank at Owen Sound, and later worked for the Imperial Bank of Canada and the Ontario Bank. In 1899 he established A. E. Ames & Co. at Toronto. In its earlier days the firm handled financing for National Trust Co., Imperial Life Assurance Co., Dunlop Tire & Rubber Co., and F. N. Burt Co., and various salesbook firms of S. J. Moore. Mr. Ames took an active interest in academic, charitable and business organizations. At his death he was president of Home & Foreign Securities Co., chairman of the board of Kelvinator Co. of Canada, vice-president of F. N. Burt Co., Toronto Brick Co., and Russell Motor Car Co., and a director of American Sales Book Co., Brantford Cordage Co., Building Products Ltd., Canada Life Assurance Co., Gilman Fanfold Corp., International Milling Co., Page-Hersey Tubes, Twin City Rapid Transit Co., Willys-Overland Co. of Canada, Pacific Manifolding Co., and Moore Corp. of Canada.

Balances of 3,200 Agents Over 90 Days In Arrears

Over 3,200 insurance agents in Canada or ten per cent of the total are more than 90 days in arrears in payment of premiums to insurance companies, The Financial Post estimates from partial returns as at June 30, 1934, made to the Association of Superintendents of Insurance. According to the 1931 census there were 17,379 full-time insurance agents in the Dominion; by including part-time licensed agents, a figure of about 32,000 might be conservatively estimated.

Only Ontario made any return of the total amount overdue, but on this basis it may be estimated that less than 2 per cent of premiums were in arrears.

Five Provinces Report

Returns to a questionnaire requesting information on overdue agents' balances were filed with the association by five provinces, New Brunswick, Ontario, Manitoba, Alberta and British Columbia. While only the Ontario return included any reference to the total amount of money due, all returns grouped agents by the amount of premiums due. Consolidation of these returns gives the following picture:

No. of Agents with Balances in Arrears
(90 Days or More at June 30, 1934)

	Alta.	B.C.	Man.	N.B.	Ont.
Under $1,000	343	315	275	109	872
Over $1,000	15	19	14	8	45
" $2,000	6	10	4	2	15
" $3,000	2	5	6	..	5
" $4,000	2	1	4	..	8
" $5,000	2	2	3	1	3
" $10,000	1	..	..	..	3
" $20,000	..	1	..	..	..
Total	371	353	306	120	951

Ontario's Position

Approximately $400,000, or 1.4 per cent of premiums was owing to insurance companies from Ontario agents, according to the report from that province. This figure does not represent the total balances due, owing to incomplete returns having been received, but it is the total due 227 companies having a premium income of nearly $29,000,000. Seventeen companies having a premium income of $2,273,000 did not make returns.

In addition to the fact that all insurance companies did not report, it is stated that only 6 general agents made returns while there are many such general agents throughout the province who deal direct with sub-agents. It may be quite easily imagined, therefore, the Ontario return states, that the figure above quoted is a conservative estimate of the actual amount outstanding.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

North American Life

Last year there fell due an endowment policy which I held with the North American Life. Instead of cashing it I left the proceeds on deposit with the company at 5 per cent interest.

Is this a safe investment or would I have been better advised to purchase a government bond?

As far as safety is concerned, we do not feel you need be concerned respecting the moneys you have left on deposit with the North American Life. This money is in the same relation to the company's liabilities as an ordinary insurance policy which means that your policy proceeds can be ranked as one of the safest investments which you could make.

In respect of the 5 per cent interest payment, it is important for you to know that the company can only guarantee to pay you 3½ per cent on this money, plus any excess interest earnings which may accrue in any one year. While the total payment has in past years been equivalent to 5 per cent, it is very doubtful if this rate will be maintained in the future in view of the very substantial decline in interest rates generally. Many companies have already reduced this rate considerably below the 5 per cent mark. However, over a period of years the experience has been that the rate you would receive on this money compares more than favorably with the return on high grade government bonds.

North American Life is one of the leading Canadian life insurance companies and is registered to do business under the federal insurance department at Ottawa. It has been doing business in Canada since 1881.

Heads New Agency

C. F. CHARBONNEAU

President of the newly formed Peerless Insurance Agencies, Ltd., Montreal. The agency will represent Canada Life, Franklin Fire and Prudential Assurance Co. of England (casualty department). James Miller will be general manager of the company.

Ins. of North America Reports Better Results

Insurance Company of North America reports a substantial increase in premium volume and a more favorable loss ratio has been experienced during the first half of 1934 as compared with the same period of the previous year. Its figures for the Canadian department are not available, however.

Figures for the whole company show that surplus to policyholders at June 30, 1934, were $51,167,000, compared with $49,911,000 as at the end of 1933. Total admitted assets were $81,000,000 as compared with $79,900,000 as at December 31, 1932.

Foreign Exchange Markets

EUROPEAN sources look for another devaluation of the American dollar and feel that sterling will be allowed to follow such a move. The continent, therefore, is bearish in both currencies. It must be noted, however, that Great Britain would probably be hesitant to allow sterling to be carried into an inflationary maelstrom by following the course of the American dollar blindly. For the present, the pressure for currency depreciation has been dominant.

Further weakness in the American dollar is foreseen because of reported purchases of silver by Washington abroad. Moreover the United States export balance may be reduced by poor crops despite the advantage of a depreciated currency. The softness of sterling and the U.S. dollar have brought higher quotations against both these currencies for Canadian funds. This is interpreted as deflationary. The Canadian dollar would ordinarily follow sterling and the U.S. dollar more closely. In some quarters it is anticipated that the premium on Canadian currency will diminish or disappear in time.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Sept. 18	Sept. 19	Sept. 20	Sept. 21	Sept. 22	Sept. 24
U. S. dollar, High	.5906	.99 1/16	.97 13/16	.97 1/16	.97 1/16	.96 11/16	.96¾
Low	.5906	.97 1/16	.97	.96 11/16	.96 11/16	.96 11/16	.96 1/16
1933 High	1.000	1.02¾	1.02¼	1.02¼	1.02 1/16	1.03	1.02¼
Low	1.000	1.02	1.00 11/16	1.01⅛	1.02	1.02⅛	1.02⅛
U. K. pound	4.8665	4.86	4.85¼	4.84⅜	4.84¼	4.83½	4.80¾
Argentina	.4246	.2605	.2607	.2586	.2587	.2590	.2576
Australia	4.8665	3.8663	3.8612	3.8547	3.8495	3.8480	3.8266
Austria	.1407	.1863	.1862	.1862	.1859	.1858	.1852
Belgium	.1392	.2308	.2307	.2308	.2305	.2300	.2293
Brazil	.1963	.0679¼	.0688	.0688	.0687	.0687	.0685
Czechoslovakia	.0296	.0409¾	.0409¼	.0409¼	.0410	.0408½	.0406
Denmark	.2680	.2171	.2169	.2165	.2160	.2157	.2150
France	.0392	.0647¾	.0647⅞	.0647¾	.0648	.0646	.0643
Germany	.2382	.3935	.3929	.3928	.3924	.3915	.3897
Greece	.0130	.0093	.0093⅜	.0093¼	.0094	.0093	.0092¾
Holland	.4020	.6664	.6665	.6666	.6648	.6641	.6618
Hungary	.1749	.2930	.2929	.2927	.2926	.2923	.2912
India	.3650	.....	.3710	.3705	.3664	.3687	.3674
Italy	.0526	.0843	.0842½	.0842½	.0843	.0840½	.0837½
Japan	.4985	.2930	.2929	.2919	.2890	.2913	.2902
Jugoslavia	.1929	.0224½	.0225¼	.0225¼	.0225½	.0225	.0223
New Zealand	4.8665	3.8817	3.8767	3.8702	3.8649	3.8633	3.8419
Norway	.2680	.2443	.2440	.2436	.2430	.2431	.2417
Poland	.1122	.1868	.1867	.1868	.1865	.1864	.1857
South Africa	4.8666	4.8503	4.8439	4.8357	4.8292	4.8273	4.8005
Spain	.1929	.1343	.1343	.1343	.1342	.1339	.1334
Sweden	.2680	.2508	.2503	.2500	.2495	.2493	.2482
Switzerland	.1930	.3208	.3206	.3207	.3202	.3199	.3186
Hong Kong	.5422	.3833	.3841	.3856	.3848	.3847	.3833

New World Record For Metropolitan

Metropolitan Life Insurance Co. passed the ten billion dollar mark in ordinary insurance in force (exclusive of group) during the first eight months of 1934, according to an official announcement last week. This is the first time that that record has been attained by any life insurance company.

In its sixty-eight years of existence this colossal organization has broken many world records; its major claim being of course the fact that it is the largest corporation of any kind in the world.

Speaking in Winnipeg last week, Frederick H. Ecker, president of the company, reported: "Business is definitely better than a year ago." He is making a continent-wide agency tour covering over 50,000 miles to visit the company's 30,000 field men.

163 Companies Share Toronto's Fire Risk

Fire insurance totalling $16,382,996, with premiums totalling $163,829.96 held by 163 different companies, is set forth in the city of Toronto permanent fire insurance allotment schedule for the period of 1934-37, now issued.

The largest amount of insurance in force with any one company is $687,000 worth with the Royal Insurance Co., held through 12 agents. The North British and Mercantile has $475,000 worth, held through 10 agents; the Dominion of Canada General, $390,000 worth, through 14 agents; the Hudson Bay Insurance Co., $333,000, through 10 agents; Northwich Union, $310,000, through 11 agents.

The largest single policy is carried by the London and Lancashire Fire Insurance Co. for $350,000, through Irish and Maulson. The next two largest single policies are each for $250,000, one held by the Royal Insurance Co. and the other Yorkshire Insurance Co., through Geo. McMurrich and Son.

Heavy Yields in Saskatchewan

Crops in Northern Saskatchewan continue to mark up heavy yields. A return of 60 bushels per acre of Garnet Wheat on the farm of the Bell Brothers, near Tisdale, was reported the other day.

Discuss Plans to Eliminate Unfit Life Underwriters

A plan for eliminating unfit life insurance agents will be described to the Association of Life Agency Officers at their annual conference at Chicago, October 29-31, by J. G. Parker, actuary of the Imperial Life Assurance Co. Mr. Parker is chairman of the Canadian joint committee which has been studying this subject for some months.

Mr. Parker's plan would limit the permanent agents of life insurance companies to those who show by their first two years' production that they have a reasonable chance of success.

Established 1869

Strength• Stability•

Assurances in Force (Dec. 31, 1933) $518,521,336.00
Assets $138,912,508.00
Surplus Funds and Contingency Reserves $11,917,520.04

A Purely Mutual Company

Every dollar of surplus earnings belongs to policy-holders and is either actually paid or allotted as cash dividends or held in trust for future distribution.

THE MUTUAL LIFE Assurance Company OF CANADA
HEAD OFFICE - WATERLOO, ONT.

FIDELITY
Insurance Company
of Canada
TORONTO

THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE - - - WATERLOO, ONTARIO
The Dominion News
The Dominion News

45 Years of Successful Operation

Strong Reserves
Sound Investments

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
HEAD OFFICE—WAWANESA, MAN.
Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE
LIABILITY DOCTORS AND DENTISTS LIABILITY PLATE GLASS
Insurance in force over $243,000,000
APPLICATIONS INVITED FOR AGENCIES IN ALL PROVINCES
Eastern Offices: 341 CHURCH ST., TORONTO

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NORTH AMERICAN LIFE
Solid as the Continent
Head Office:
Toronto, Canada
ALL PROFITS FOR POLICYHOLDERS

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA
HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST, ASSETS $4,616,449.70
BRANCH OFFICES
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Ottawa
Vancouver
Victoria
Edmonton
Calgary
Saskatoon
Winnipeg
Montreal
Quebec City
St. John
Halifax
ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

Announcing
PEERLESS INSURANCE AGENCIES LIMITED

Under the direction of C. F. Charbonneau—formerly of the Canada Life Assurance Company—the new Agency has been appointed to represent a number of internationally known companies, and is prepared to render a splendid service in all classes of insurance.

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LIMITED
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Canada Life Building, 275 St. James St. W., Montreal
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1884 • 1934
THE FIFTIETH MILESTONE

Fifty years of sound conservative growth bear evidence to the careful management, efficient courteous service and constant fair dealing which have characterized the Company's operations since its founding in 1884.

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Portage la Prairie, Man.
TORONTO VANCOUVER EDMONTON MONTREAL
74

A Canadian Institution that has earned world-wide respect
—Branches throughout the world—
Confederation Life
Association

Bank Chat on Current Topics

New Size Money

ALL the chartered banks will soon be making issues of the new small-sized notes that will be necessary for the sake of convenience after the Bank of Canada takes over the Dominion note issue early in 1935. The central bank's notes will be 6 x 2⅞ inches, as compared with the present measurements of 7⅜ x 3-3/16 inches. Under the tape, the present banknotes and Dominion notes measure about 7-5/16 x 3⅛ inches.

Size of the small American notes is 6-5/16 x 2-11/16 inches. So the new Canadian notes will be 5/16 of an inch shorter and 3/16 of an inch wider than the American bills. This will give the new bills a stubbier, more nearly square, appearance than either the American notes or the present Canadian notes.

* * *

Practical Problems

WHILE it will be years before most of the note issue of the chartered banks is taken over by the Bank of Canada, a uniform size for the various notes will be necessary for convenience in handling. Incidentally, bank tellers are going to have some trouble with their tills when the new money first appears. Their present bins for paper money will be much too large. Ultimately all the banks' tills will probably be rebuilt with smaller bins. Thus, the change in the size of the bills will be of considerable value to carpenters, makers of cash registers and similar equipment. Nearly every cash register in Canada will have excessively large money compartments when the new notes begin to appear in numbers.

It is also noteworthy that banks will make a saving on paper because of the smaller size of the new notes. The average life of a bank or Dominion note is less than a year, and without taking the trouble to calculate the number of notes in the hands of the public, the area of the two sizes of notes, the cost of paper and printing, and so on, it appears that banks will save something in mechanical costs of issuing their money. This and more they will lose, however, by gradual reduction of the circulation privilege.

Banknote companies will get some good orders out of the new arrangement. But beyond the large initial orders, their regular volume of business on printing currency may decline because of the smaller size of notes and lower printing costs of the banks.

* * *

Closing in Brazil

BRANCH of the Canadian Bank of Commerce at Rio de Janeiro, Brazil, is being closed and will accept no new business after Sept. 29. This will leave the Royal Bank of Canada as the only Canadian chartered bank with a branch in Rio. Commerce juniors henceforth will have to apply to some other foreign site the words of the song: "I want to roll to Rio some day before I'm old."

Staff Changes

The Royal Bank of Canada announces the following staff changes:

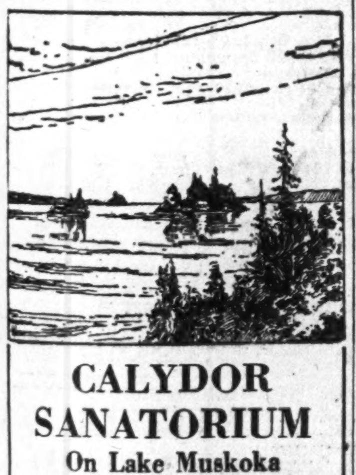
C. A. SNEATH, formerly manager at Lacombe, Alta., to be manager at Cranbrook, B.C.

H. B. HADLEY, formerly of Montreal branch, to be manager at St. John's, West-end branch, Newfoundland.

H. STEPHENSON, formerly manager Sherbrooke & Decarie, Montreal, to be manager at Monkland & Beaconsfield, Montreal.

J. M. CARLETON, formerly assistant manager Stanley St., Montreal, to be manager at Sherbrooke & Decarie, Montreal.

T. E. WADDELL, formerly manager Monkland & Beaconsfield, Montreal, to be manager at Portland, Ont.



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Under the direction of Calydor Sanatorium, Limited.
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Sanatorium treatment at Calydor offers exceptional advantages in promoting recovery from pulmonary or other forms of tuberculosis. The methods used are recognized as the safest, quickest and most efficient way of combatting these disorders.

Easy facilities for open air living in comfort in winter and summer, ideal scenery and climate are found here.

The equipment of a modern medical clinic makes full study of the individual patient practicable. Constant daily supervision of the patient by experienced physicians, nurses and dietitian provide that attention which means success in treatment.

Sufferers from asthma, bronchitis and other troubles for which institutional treatment is desirable are also accepted, and may come without fear.

Consult your physician about coming.

A booklet giving all information sent on request.

Address Calydor Sanatorium,
Gravenhurst, Ontario.
112 miles north of Toronto.

BANK OF CANADA WILL CUT PROFITS STATES HENWOOD

"G. M." of Bank of Toronto Explains Difficulties of Bankers

Operations of the Bank of Canada will reduce the earnings of the chartered banks and their ability to build up reserves, H. B. Henwood, general manager of the Bank of Toronto, stated in a recent address to the Edmonton Rotary Club. The central bank will have the full cooperation of the chartered banks, Mr. Henwood said.

Mr. Henwood has been making a tour of western points for the bank, and was accompanied by J. A. Woods, Winnipeg, western superintendent.

Increasing tax burdens, and lack of adequate prices for their products, and not bank interest rates, have been responsible for distress among farmers, Mr. Henwood told the Edmonton Rotarians.

Bankers' Difficulties

Bankers, like others, have had a hard row to hoe in the West in recent years, due partly to poor crops, partly to low prices, he stated. Said he: "Our lot has been made worse by legislation designed to protect the borrower, and I had almost added, embarrass the lender. We give credit to western parliaments for the best of intentions in the enactment of legislation for the protection of debtors. Such legislation may be more or less necessary but one effect is to reduce our safety factor in lending almost to the vanishing point."

Bank of Canada

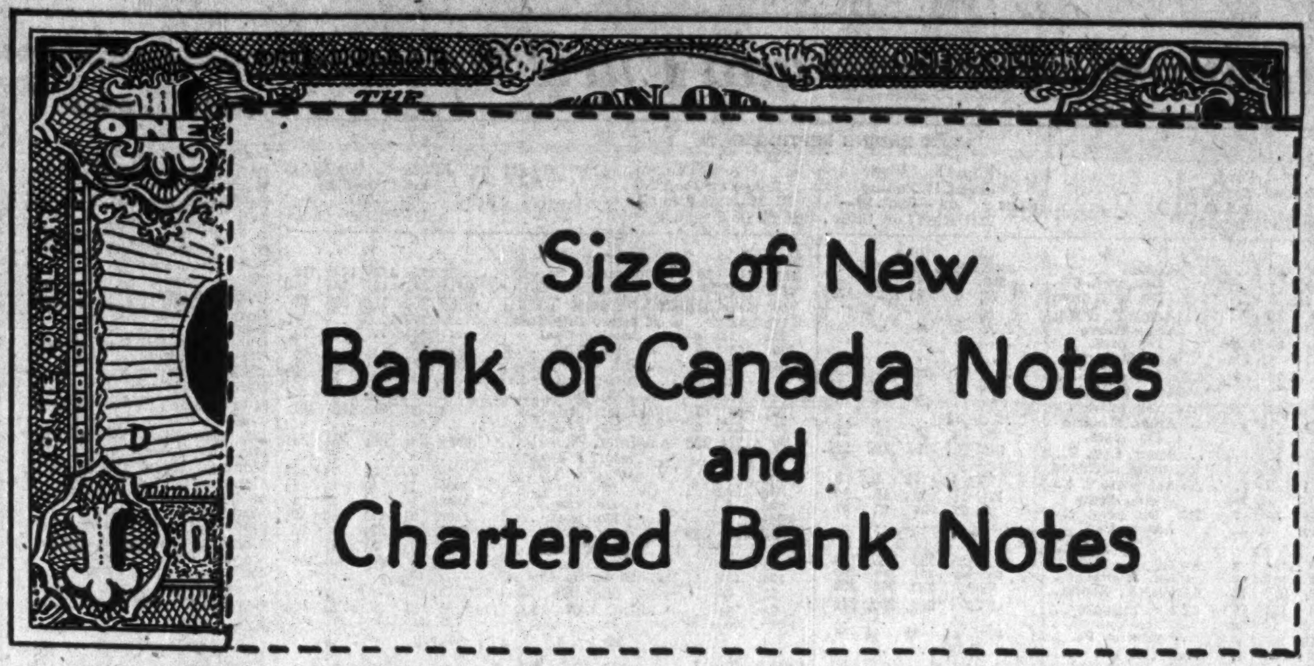
Explaining the effects of the Bank of Canada's operations, Mr. Henwood pointed out that chartered banks would be required to hold over $100,000,000 of its notes or on deposit with the new institution. On this no interest would be received. In addition, he pointed to the gradual acquisition of the note issue privilege of the chartered banks as a costly loss to the latter.

The general banking situation, said Mr. Henwood, is extremely difficult. Banking, he stated, is one of the most hazardous businesses in the world. Of the supply of credit, he said:

"There are people who are forever saying that the banks are withholding credit for the needs of business. The answer is that because of the lack of demand for commercial purposes, the banks have been obliged to invest their surplus funds in government and other securities.

"They would gladly sell them if they could use the funds for commercial loans. To anyone who will consider the monthly bank returns, it is quite obvious that the banks have ample funds with which to take care of any increased demand for commercial purposes whenever it occurs, but apparently the people who critize the banks cannot see it."

Old and New Sizes of Canadian Bank Notes



In about six months the smaller size of bank notes depicted above will be circulating in Canada. The size of the new notes will be 6 x 2⅞ inches. This is about ¼ inch shorter and 3/16 of an inch wider than the American notes, upon the size of which new Canadian notes were to have been based, according to tentative plans of two years ago. The Bank of Canada and the ten commercial banks will issue the new and smaller notes. The above illustrations are actual size.

Toronto Bankers to Hear Lectures

Toronto Bankers Educational Association is about to start its activities for the 1934-35 season. A series of weekly lectures is to be held at the University of Toronto under the direction of Professor C. N. Cochrane. As in the past, it is expected that several dinner lectures will be held at which prominent individuals in the business or financial world will deliver addresses.

Since its inception in 1919, 2,676 bank officers have attended the lectures at Toronto, an average of 178 yearly. The body was formed shortly after the return to Toronto from the war of a large number of bank clerks, and was founded chiefly through H. V. F. Jones, formerly assistant general manager of the Canadian Bank of Commerce. The aim of the association, which is one of the few of its kind that has survived, is to provide instruction in technical banking and allied subjects such as economics, law, government and public affairs, and public speaking. The weekly lectures are given by trained academicians.

Officers of the association for 1934-35 are: president, H. T. Jaffray, assistant general manager Imperial Bank of Canada; vice-president, E. Crockett, assistant general manager the Bank of Nova Scotia; secretary-treasurer, P. W. Paine, Imperial Bank of Canada; tutorial secretary, Professor C. N. Cochrane, University of Toronto.

1933 Copper Output

Production of new copper in Canada during 1933 totalled 299,982,448 pounds valued at $21,634,853, as compared with 247,679,070 pounds at $15,294,058 in 1932, the Dominion Bureau of Statistics reports.

BUSINESS MEN!

DRAFT YOUR CUSTOMERS

Older perhaps than any other feature of the business world is the custom of *draft and acceptance.* The seller draws, the buyer accepts—and the draft is a "bankable document". Drafts deposited with this Bank are promptly forwarded, promptly presented and promptly reported on maturity.

IMPERIAL BANK OF CANADA
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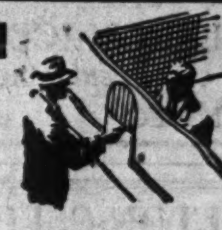
Capital and Reserve $15,000,000

BRANCHES THROUGHOUT CANADA.



Bank of Canada Control Gives Rise to Speculation

Possible Number of Shareholders Ranges from 2,000 to 100,000 — Many Leading Corporations Cannot Hold Stock

From Our Own Correspondent

MONTREAL. — Control of the capital stock of Canada's new Central Bank will not be as widespread as many have been lead to believe. A perusal of the order-in-council covering the by-laws of the Bank of Canada shows that ownership of the stock is circumscribed by many measures, which, theoretically, would give a maximum representation of all interests, but which in practice will most likely bring control into the hands of a small, and not necessarily, representative group.

Subscriptions have already been received for the $5,000,000 capital of the Bank and the allotment of shares will be made shortly. An examination of the order-in-council brings out a number of factors having to do with those who can subscribe to the stock, which permits the deduction of a number of interesting facts regarding ownership of stock at the beginning of the new banking institution's career.

The share capital is divided into 100,000 shares of $50 each, with subscriptions limited to a maximum of 50 shares and a minimum of 1 share.

The largest possible number of shareholders which the new bank will have at the start is 100,000 and the minimum number 2,000. If sufficient one share subscriptions were received and allotted, one out of 100 people in the Dominion would be a shareholder, while if the maximum of 50 shares was granted, there would be one shareholder to every 51,087 of population.

Not every one can buy Bank of Canada stock, however, for the by-laws state that only British subjects, ordinarily resident in Canada can can hold the shares. Nor can any person qualifying in this category buy the stock if same is for the benefit of any director, officer, clerk or employee of any chartered bank. The by-laws also state that only corporations controlled by British subjects ordinarily resident in Canada, may own the stock.

These qualifications definitely limit the number of people or corporations which can hold stock in the Central Bank.

The number and importance of the corporations affected by this ruling is impressive. The Canadian Pacific Railway, for example, cannot own the stock. Nor can its subsidiary, Consolidated Mining and Smelting Co. of Canada. Control of the railway is held by British subjects, but not by those resident in Canada.

The Canadian Pacfic is not the only corporation in this category. Following is a partial list of companies, many of them leaders in their own particular field, which are not permitted to hold stock in the Bank of Canada:

- International Nickel
- Duke-Price Power
- Aluminum Co. of Canada
- Anglo-Canadian Pulp
- International Milling
- Imperial Oil
- Canadian Celanese
- Sherwin-Williams Paint Co. of Canada
- Imperial Tobacco Co. of Canada
- Canadian General Electric
- Ford Motor Co. of Canada
- General Motors Corp.
- Goodyear Tire
- Consolidated Rubber
- Canadian Industries Ltd.
- Hudson's Bay Co.
- Gatineau Power

This list can be extended to much greater length, but the foregoing listing provides an adequate idea of many of the larger corporations in this country which will not be able to own stock in the Central Bank.

When it comes to the allotment of shares, those responsible for the task, will be confronted with a number of problems. Shall the allotment be on the basis of the old political cry of "Representation by Population"? Shall an average be determined by working out the number of shares subscribed by the number of applicants? Shall all those asking for 10 shares or less have their application accepted, and those over that number pared down accordingly?

If the initial distribution of stock is on the basis of allotment to residents of each province of the number of shares which the population of the province bears to the Dominion as a whole, distribution of the stock would be as follows:

Province:	No. of shares	Percentage of total
British Columbia ...	6,700	6.70
Alberta	7,050	7.05
Saskatchewan	8,880	8.88
Manitoba	6,750	6.75
Ontario	33,080	33.08
Quebec	27,710	27.71
New Brunswick	3,930	3.93
Nova Scotia	4,940	4.94
P. E. Island	850	0.85
Yukon and N.W.T...	110	0.11
Total	100,000	100.00

There might be political repercussions if the stock of the Bank of Canada is allotted in this way. It will be seen from the foregoing that Ontario would have more shares than all the Western Provinces put together, and more than 3 times the number that would go to the Maritimes. Ontario and Quebec between them would have absolute control of the policies of the new bank as determined by voting power.

After the original allotment of shares there is no apparent reason why a shareholder should not increase his holdings over and above the original maximum allotment of 50 shares to an applicant.

Banks Prepare New Notes; Change Size But Not Design

Chartered banks have their plans well under way for printing of the new small size of notes, which will appear about the time the Bank of Canada begins to function. The notes of the central bank will be 6 x 2⅞ inches, and the chartered banks will issue notes of the same size for purposes of uniformity.

Present designs of bank notes will be followed as closely as possible in the printing of new notes, according to information obtained by The Financial Post from most of the chartered banks. In some cases part of the design will be changed, but not in others. Illustrations rather than figures will be reduced in size.

There are several reasons for not changing designs. For one thing it would be much more costly to have complete new patterns drawn than to have the size of present designs reduced. Moreover, present designs are said to be satisfactory in guarding against counterfeiting and have a certain amount of goodwill value because the public is familiar with their appearance. The new notes will, therefore, be miniatures of present bank notes. It is estimated that most of the bank notes circulating in the Dominion can be changed for the new bills within a few months if necessary.

A FURTHER STEP on the Road to Recovery

A Statement by the Prime Minister of Canada

THE Dominion of Canada will offer for public subscription within the next few days the 1934 Refunding Loan. It is an undertaking of such significance to every citizen that I think it fitting to present this brief explanation of its close relation to the welfare and continued progress of our country.

The 1934 Loan is not an incidental effort. It is a part—and an essential part—of the great debt conversion programme in which Canada has been engaged since 1931, and by which we are refunding at maturity the large sums borrowed for wartime purposes. The national importance of this programme—and of the 1934 Loan as part of it—cannot be over emphasized. It is important from three aspects: 1—National Credit; 2—National Economy; 3—National Recovery. I shall deal with each of these in turn.

1. National Credit

National credit means to a nation what an honest reputation means to a man. Its maintenance is a primary essential and necessitates that each obligation be met, fully and promptly, as it comes due. Our debt conversion programme is then, in the first instance, our method of meeting our obligations and thus maintaining our credit.

By this programme Canada has already refunded $858,000,000 of maturing wartime debt, and completion of the 1934 Loan will bring the refunded total to over one billion dollars. As a result, Canada's credit stands notably high, both at home and in the great money markets of the world.

Striking evidence of our high credit standing was given within the last few months when Canada secured immediate over-subscription of a long-term loan in London at a price to yield the investor less than 3½% and, in New York, obtained a one-year Loan of $50,000,000 bearing interest at 2 per cent. And there is equally striking evidence at the present moment in the fact that every internal issue of Dominion of Canada Bonds now outstanding is selling today at substantially above its issue price. The twelve-year 4% Bonds of the 1933 Refunding Loan, issued at 96½, are now selling at 104 to yield approximately 3½%.

2. National Economy

The debt conversion programme, in the second place, is providing substantial savings in public interest charges. The debt which we are refunding was incurred with interest rates at artificially high wartime peaks. Refunding is now being accomplished with interest rates throughout the world moving steadily downward toward more normal levels—an encouraging world movement which is essential to business recovery. By refunding under these conditions Canada has already obtained a reduction of the previous interest charges amounting to more than $9,000,000 per annum, and completion of the 1934 Loan will provide a further saving of over $5,000,000 per annum.

The annual saving of over $14,000,000 thus secured has a direct cash benefit to every tax-payer. This saving has much more than offset the interest charges on the debt which has been incurred to meet the extraordinary burden of unemployment relief. It has, to a considerable extent, offset the heavy burdens which the depression period has imposed with respect to railway and other current requirements. It will also pave the way to tax reductions with the return to better times.

3. National Recovery

The debt conversion which Canada has achieved since 1931, by thus maintaining national credit and securing national economy, has been a major factor in our progress toward business recovery.

A year ago, preliminary to the 1933 Refunding Loan, I took occasion to express the belief that Canada had passed the low point of depression and was definitely upon the road to recovery. Today, our progress toward recovery is a matter of established fact. Since the low point of February 1933, the trend of business has been moving steadily upward in an improvement so marked and so consistently sustained that we need no longer doubt its reality.

The facts of business recovery are written beyond dispute in our statistical records. The most significant indices relate to physical volume of business, industrial production, carloadings, electric power production, employment and prices. Here is the record in each case:

	PERCENTAGE INCREASE	
	During Past Year*	Since Low Point of Depression February 1933
Physical volume of business	13.8%	42.8%
Industrial Production.....	15.7%	56.9%
Carloadings...............	10.3%	29.4%
Electric Power Production.	12.4%	32.7%
Employment..............	14.7%	17.1%
Wholesale Prices..........	4.0%	13.7%
Farm Products Prices.....	7.7%	43.3%

*In the case of carloadings, employment and prices, the latest figures available are those for August; in other cases, those for July.

Our external trade figures are equally encouraging. During the first eight months of the present year, exports of Canadian products increased approximately $99,000,000, or 32.7% over the same period last year. The corresponding increase for imports has been slightly under $93,000,000, or 38.2%.

A Further Step

Anyone who reflects upon these three aspects of credit, economy and recovery will at once appreciate that the debt conversion programme is vitally important to every Canadian and that, consequently, the success of the 1934 Loan is the personal concern of every man and woman in the Dominion.

The 1934 Loan is a further step in a great national undertaking; its success means a further step on the road to recovery. I know that I need not stress the attractiveness of the Loan as the soundest possible investment, for that will be universally recognized. I do, however, earnestly call upon my fellow Canadians to support this Loan to the limit of their abilities as an opportunity to promote our national welfare. I know of no way in which the individual citizen can render greater service to himself and to his country.

R B Bennett
PRIME MINISTER OF CANADA

DOMINION OF CANADA 1934 REFUNDING LOAN

CHARTERED ACCOUNTANTS

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS
WINNIPEG MANITOBA

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

E. R. C. CLARKSON & SONS
Authorized Trustees and Receivers
CLARKSON, GORDON, DILWORTH, GUILFOYLE & NASH
TORONTO OTTAWA
15 WELLINGTON STREET WEST TORONTO
CLARKSON, McDONALD, CURRIE & COMPANY
MONTREAL and QUEBEC
Chartered Accountants

Latest development in paper manufacture

"Sampson White Envelope"

has a bond finish; is carried in two weights; is brilliant white; is opaque, and has the unusual qualification of having the strength of a rag content bond three times the price.

Toronto Envelope Co.
LIMITED
366 Adelaide St. W., Toronto

Cockshutt Plow Reports Advance Over Last Year

Though the volume is still considerably below normal, business of the Cockshutt Plow Co. so far this year is officially reported to be substantially above that for the same period in 1933. The company's fiscal year ends Nov. 30. An operating loss of $550,819 was reported in 1933 as compared with a loss of $292,151 in 1932. In both cases these figures did not include depreciation but they did provide for uncollectable debts.

Col. Cockshutt Retires

Col. Henry Cockshutt after 50 years service with the company retired as president at a meeting of the board in Brantford recently. He still remains chairman of the board. The new president is C. Gordon Cockshutt while F. Perry was elected first vice-president. New directors are as follows: George A. Baker, W. C. Pitfield, Mrs. Margaret C. Schulman and G. K. Wedlake.

Approve 4 for 1 Issue Fanny Farmer Shares

Shareholders of Fanny Farmer Candy Shops Inc. have approved of a reduction of the preferred shares from 45,000 to 6,650, the number now outstanding. At a recent meeting in Rochester, N.Y., the vote was carried by approximately 75 per cent of the stockholders.

Approval was also given to the proposal to change the authorized issue of 100,000 common shares of no par value to 400,000 common of $1 par value. The new shares are to be issued for present shares on a four for one basis.

Investors' Chronicle
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John D. Gilmour,
B.Sc.A., B.Sc.F., (Toronto)
CONSULTING
FOREST ENGINEER
MEMBER OF EXECUTIVE, PACIFIC LOGGING CONGRESS. MEMBER CANADIAN SOCIETY AND QUEBEC ASSOCIATION OF FOREST ENGINEERS.
Seventeen years in practical active charge of eastern pulpwood logging operations, continuously for the same interests.
Experienced in all phases of organization and management of logging operations, logging engineering, transportation, timber valuations, cost estimates, budgetting and control.
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FAIRBANKS OIL BURNER

1 Its economy is proved by real savings in fuel costs. Here is what one owner says:—"This makes a saving for the year of $164.15, which in addition to the comfort and convenience I have had, is certainly a strong argument for your equipment."

2 Manufactured in our Sherbrooke, P.Q. factory where we have specialized in the manufacture of mechanical equipment for over 30 years.

3 A product backed by a financially strong, nation-wide organization, that will be here to give service in the future.

4 Built according to specifications of the Canadian Engineering Standards Association, and listed as standard by the National Research Council of the Dominion of Canada, Fire Underwriters Laboratories, Ontario Hydro Electric Power Commission.

5 There are Fairbanks models for small, medium-size and large homes and for commercial and public buildings of moderate size. The Burners are adaptable for installation in hot water, steam, warm air furnaces—in practically any type of heating system.

6 The cost of the Fairbanks Oil Burner is reasonable and our Instalment Payment Plan enables you to enjoy all the benefits of Automatic Oil Heat for a small down payment. The balance can be paid in monthly instalments.

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Fairbanks-Morse
COMPANY-Limited
26-28 Front Street West, Toronto

Please send me a copy of your Booklet on Fairbanks Automatic Oil Heating.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING SEPTEMBER 24

Range 1934 High	Low	Divd. Rate in $	Y'ld in % Sept. 22		Sales	Close Sept. 17 (or last)	Week Ending Sept. 24 High	Low	Close
				A					
2.50	.80	.	...	Abitibi	2900	1.00	1.15	.95	1.00
10½	4	.	...	Do. pref. 6%	350	5½	4¾	4½	4½
7¾	2	.	...	Do. cert. dep.	70	4	2½	2	2½
x80	80	.	...	Acme F. D'y p.	....	..	..	..	..
3	3	.	...	Acme Glove	....	3	..	..	..
25½	25	3.25	...	Do. pref.	....	25	..	..	..
8½	5½	20c	...	Agnew Surp.	....	7	..	..	..
90	72	7	8.7	Do. pref.	....	80	..	..	..
7	3	.	...	Alta. Pac. Gr.	10	3½	3½	3½	3½
23	14½	.	...	Do. pref.	20	15	15	15	15
2½	1½	.	...	Amal. Electric	....	1½	..	..	..
15	10	.	...	Do. pref.	50	15	15	15	15
15¾	15½	.	...	Amer. Cyn. B.	540	15½	15¾	15¾	15¾
x3½	3½			Anglo. N. Hold.	..				
13½	5	.	...	Asbestos, v. t.	78	5	5½	5	5
13	9½	25c		Assoc. Brew.	123	11	10	10	10*
97½	85	7	7.2	Do. pref.	30	97	97	97	97
4½	4½	.		Assoc. Can.	....	4½	..	..	..
				B					
145	124	8	6.4	Bk. Can. Nat.	59	125	125	125	125
203	167	8	4	Bk. Montreal	653	200	201	197	200
278	247	12	4.8	Bk. N. Scotia	79	250	250	248	250
210	161½	10	4.8	Bk. Toronto	20	205	210	210	210
16¾	15	50c	...	Barcelona	....	15	..	..	..
8½	3	.	...	Bathurst Pr.	180	4½	4½	4½	4½
3.50	1.00	.	...	Do. (B)	....	1.10	..	..	..
1½	1	.	...	Bawlf Grain	....	1	..	..	..
18½	7	.	...	Do. pref.	....	15	..	..	..
4	2½	.	..	Beath & Sons	....	2½	..	..	..
10	6½	.	..	Beatty Bros. A	....	8½	..	..	..
88½	69	6	6.8	Do. pref.	....	88½	..	..	..
9¾	3½	.	...	Beauharnois	1110	5½	5¾	5½	5¾
85	65	4	5.1	Belding Cort.	....	79	..	..	..
105	97	7	7	Do. pref.	....	100½	..	..	..
120	110	6	5	Bell Telephone	531	117¾	120	117½	119
12	7½	50c	...	Biltmore Hats	....	10	..	..	..
93	85	7	7.5	Do. pref.	....	93	..	..	..
6	2	.	...	Bissell, T. E.	....	4	..	..	..
29	25	.	...	Do. pref.	....	25	..	..	..
6	4	.	...	Blue Ribbon	....	4½	..	..	..
32	23	2	6.9	Do. pref.	32	29	29	29	29
26	22	2	7.8	Brant. Cord. pf.	55	26	26	25½	25½
14¾	7½	.	...	Brazilian Tr.	13141	10¾	11½	10¾	11½
2.95	.65	.	...	Brew. & Distil.	2595	.65	.70	.65	.65
11	5¾	.	...	Brewing Corp.	2469	7½	7½	7½	7½
32¾	15½	.	...	Do. pref.	1346	26	27	25½	26
12	10	30c	2.5	Bright, T. G.	....	12	..	..	..
75½	75½	6	8	Do. pref.	....	75½	..	..	..
15¾	12	80c	5.8	Brit. Amer. Oil	3712	13¾	13¾	13¾	13¾
3.87	1.10	.	...	B. C. Packers	200	1.50	1.65	1.50	1.50
14	10	.	...	Do. pref.	25	13½	13½	13½	13½
32¾	22¾	1.50	5.6	B. C. Power A	140	26¾	26¾	26½	26½
8½	4½	.	...	Do. (B)	810	5½	5½	5½	5½
22	12½	1	7.5	Bruck S. Mills	285	13¾	13¾	13	13
23½	16½	1	4.8	Building Prod.	35	21	21½	21	21
34	27	2	6.8	Burt, F. N.	13	29½	30½	29½	29½
				C					
x125	125	6	...	Calgary Pr.	..				
5½	2	.	...	Canada Bread	25	2½	2	2	2
50	23	.	...	Do. pref. A	30	37	40	40	40
15	8	.	...	Do. pref. B	105	11	12	12	12
12	7¾	.	...	Canada Bud	935	10	10	10	10
12	4¾	.	...	Canada Cement	1855	6½	6¾	6	6½
53	32	.	...	Do. pref.	249	38	39¾	37¾	37¾
b29½	12½	1	6.6	Canada Dry	3600	13	15½	13¾	14¾
6½	4	.	...	Can. Forg. A	....	4	..	..	..
4	4	.	...	Do. (B)	....	4	..	..	..
18½	18	.	...	Canada Iron	1	18	18½	18½	18½
52	50	3	6	Do. pref.	....	50	..	..	..
§*425	425	20		Canada Life					
35¾	27	1.50	5.3	Can. Malting	4400	29¾	30	27	27
22½	16½	1	5.5	Can. Nor. Pr.	320	19	18¾	18	18½
102	88½	7	6.9	Do. pref.	122	101½	102	101½	101½
.10	.10			Can. Paving	....	.10	..	..	..
4	3	.	...	Do. pref.	....	3	..	..	..
140	117	8	6.5	Can. Perman.	30	122	123	120	123
3.75	.70	.	...	Can. Steamships	60	2.00	1.75	1.50	1.50
9	2½	.	...	Do. pref.	5	5	5	5	5
27½	21½	1.60	6.4	Can. Vinegars	35	25	25½	25	25
25	22½	.	...	Can. W. Cable	....	24¾	..	..	..
13½	5½	.	...	Do. (B)	....	10	..	..	..
4	2½	.	...	Can. Bakeries	....	2½	..	..	..
12	9	.	...	Do. pref.	....	9	..	..	..
166	127	8	5	Can. Bk. Com.	764	154	160	153	155
27	17	60c	2.7	Can. Bronze	1	22	22	22	22
109	95	7	6.9	Do. pref.	100	103	102	101½	101½
8½	5	.	...	Can. Canners	10	5½	5½	5½	5½
88½	75	6	7	Do. 1st pfd.	225	82½	87	82½	87
10½	6¾	30c	4.2	Do. 2nd pfd.	264	7½	7½	7	7½
9¾	5½	.	...	Can. Car & Fdy	681	6	6	5¾	6
16	11½	.	...	Do. pref.	392	13	13½	12	13
22½	15½	.	...	Can. Celanese	60	16	16	15½	16
120	104	7	6.5	Do. pref.	10	105	108	108	108
45	30	2	5.3	Can. Convert.	....	38	..	..	..
72	41	4	6.7	Can. Cottons	15	60	60	60	60
95	70	6	6.4	Do. pref.	....	93	..	..	..
34½	17	1	4.8	Can. Dredge	90	21	21	20¾	21
106½	106½	7	6.6	Do. pref.	....	106½	..	..	..
65	65	6	9.2	Can. Fairb. pf.	....	65	..	..	..
25	9	1	4.8	Can. For. Inv.	35	21½	21	21	21
105	80	8	7.6	Do. pref.	....	105	..	..	..
160	124½	3	1.9	Can. Gen. Elec.	....	158½	..	..	..
63	59	3.50	5.6	Do. pref.	19	63	63	62	62½
§6½	4	40c		Can. G. Inv. T.	....	6½	..	..	..
76	54½	6	8.9	Can. Hyd. El. p.	170	67½	68	66½	66½
20½	5½	.	...	Can. Ind. Alc.	1755	8	8½	8	8½
19¾	5	.	...	Do. (B)	750	7½	7¾	7	7½
170	148	4	2.5	Can. Indust. B.	15	161	162½	161	161
142	128	7	4.9	Do. pref.	3	140½	142	142	142
†5.00	3.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
20	20	.	...	Do. pref.	....	20	..	..	..
40	19	1	5	Can. Lt. & Pr.	30	22	20	20	20
2½	1½	.	...	Can. Locomo.	....	2	..	..	..
b4½	1½	.	...	Can. Marconi	1750	1¾	1¾	1½	1½
18	12	50c	3.8	Canadian Oil	....	13	..	..	..
120	92	8	6.9	Do. pref.	30	114	115	114½	115
18½	11¾	.	...	Can. Pacific	5518	12¾	13¾	12¾	13¾
3	1¾	.	...	Can. Vickers	25	1¾	1¾	1¾	1¾
6½	4½	.	...	*Do. pref.	10	4½	4¾	4½	4¾
§49	46	2		C. West'ghouse	....	49	..	..	..
11½	5½	20c	3.4	Can. Wineries	213	5½	6	5½	5¾
16½	13	1.50	11.5	Can. Wire Box.	15	13	13	13	13
8¾	7	.	...	Catelli Mac (A)	20	8½	8½	8½	8½
2¾	1	.	...	Do. (B)	1	1	1	1	1
§245	245	8		Cent. Can. Loan					
9	7½	60c	7.5	Champ. Oil, pf.	1685	8½	8½	7¾	8
3.50	1.10	.	...	Chem. Research	4880	1.38	1.54	1.36	1.53
14¾	2¾	.	...	City Gas & Elec	95	3½	3	3	3
.80	.35	.	...	Claude Neon	....	.35	..	..	..
11	5¾	.	...	Cockshutt Plow	1160	6	6¾	6	6½
1.50	.30	.	...	Comm. Alcohol	....	.50	..	..	..
2	1¾	.	...	Conduits	....	1¾	..	..	..
†94	84	.	...	Do. pref.					
12½	7	25c	...	Cons. Bakeries	360	8½	8½	8	8
1.50	.40	.	...	Cons. Indust.	....	.50	..	..	..
3½	1½	.	...	Cons. Paper	965	1½	1¾	1½	1½
11½	6	.	...	Cons. Press	25	8	7	7	7
30	24	.	...	Cons. Sand. pf.	20	24	25	25	25
170½	118	1	...	Cons. Smelters	603	125	133	125	130½
200	165	10	5.3	Consumers' Gas	78	191	191	185	188
41½	23			Corr. P. Box, p.	....	41½	..	..	..
10½	5¾			Cosgrave Brew.	....	7¾	..	..	..
11¾	7½			Cosmos Imp.	115	11	11½	11	11½
95	80	3.50■	3.8	Do. pref.	11	90	91	90	90
4½	2	.	...	Crown Dom. Oil	156	2½	2½	2½	2½
22	16	4	...	Crow's N. Coal.	5	20	20	20	20
				D					
‡1.10	1.00	.	...	David & Fre. B	5	1.10	1.05	1.05	1.05
2¾	2	.	...	Do. (A)	6	2¾	2¾	2¾	2¾
4¾	1	.	...	De Havilland	....	2	..	..	..
30	22	.	...	Do. pref.	....	24	..	..	..
†9	5	.	...	Disher Steel					
8½	6	.	...	Do. pref.	....	8½	..	..	..
26¾	8¾			Distill-Seagram	4650	13¾	15	13¾	14½
186	133	10	5.9	Dom. Bank	24	168½	169	168	169
37	25½	2	6.5	Dom. Bridge	1126	30½	31	30	30½
94	10	.	...	Dom. Coal	460	93	94	92	94
28	18¾			Dom. Engineer	60	21	20	20	20
99	81	5	5.5	Dom. Glass	40	97	90	90	90
130	113	7	5.4	Do. pref.	....	130	..	..	..
.90	.25			Dom. Motors	....	.25	..	..	..
1½	1			Dom. Pr. Stubs	....	1½	..	..	..
80	80	7	...	Dom. Rubber, p	....	80	..	..	..
5¾	2½			Dom. St. & C.B.	1825	4	4	3¾	3¾
23	14	1.20	7.9	Dom. Stores	946	14¾	16	14	16
5½	2			Dom. Tar & Ch.	20	2¾	2½	2½	2½
29½	15			Do. pref.	145	21¾	22	21½	22
88	67	5	6	Dom. Textile	35	82	83½	83	83
140	112	7	5.6	Do. pref.	25	125	125	125	125
7½	3½	.	...	Dryden Paper	330	3½	3¾	3½	3½
4	2			Duff. Paving	45	2	2	2	2
40	18	.	...	Do. pref.	5	22	25	25	25
				E					
3	3	.	..	East. Koot. Pr.	....	3	..	..	..
†97	94¾	.	..	Do. pref.					
5	2		..	East. Dairies	15	3	2½	2½	2½
13	6		..	East. Steel	....	8	..	..	..
80	72	7	9.7	Do. pref.	....	72	..	..	..
‡34	34	.	...	East. Theatres					
75	66½	7	10	Do. pref.	....	70	..	..	..
5½	1½	.	...	Easy Washer	....	1½	..	..	..
15	10½	18¾c	...	Economic Inv.	....	11	..	..	..
†15	15			Edmonton D'y					
†80	78¾	6.50		Do. pref.					
3½	1			Enam. & Heat.	....	1	..	..	..
16	9½	.	...	Eng. Electric	....	9½	..	..	..
6	4	.	..	Do. (B)	55	4	4	4	4
				F					
18	10		..	Fam. Players	....	12	..	..	..
17	10			Do. Vot. Tr.	....	12½	..	..	..
32½	11½	1	3.4	Fanny Farmer	15	29½	29½	29½	29½
38	28	2.40	6.5	Do. pref.	....	36¾	..	..	..
25½	15	50c	2.4	Ford Motors A	3002	18¾	20½	18¾	20
3¾	1½			For. Pr. Secs.	....	1½	..	..	..
16¾	10	25c	...	Foundation Co.	10	12	12	12	12
12½	3	.	...	Fraser Cos.	17	3	4	3¾	4
9	2¾	.	...	Do. Vot. Tr.	35	3½	3	3	3
3	3	.	...	Frost Steel	....	3	..	..	..
47	30	.	...	Do. pref.	....	45	..	..	..
				G					
6	3¾	.	...	Gen. St. Wares	465	3½	3¾	3¾	3½
46	14½			Do. pref.	115	33	33	32	32
136	90	5	4	Goodyear Tire	112	124½	125	124	125
115	106	7	6.2	Do. pref.	161	112	114	112	114
3¾	1	.	...	Gt. W. Saddlery	....	1	..	..	..
21½	11	.	...	Do. pref.	15	20	20	19	19
11½	5½	.	...	Gurd, Chas.	105	5½	6	5¾	6
‡100½	100	7		Do. pref.					
8¾	4½	.	...	Gypsum, Lime	1200	4½	4¾	4½	4¾
				H					
9½	4½	.	...	Ham. Bridge	90	5	4¾	4½	4¾
37	21	.	...	Do. pref.	....	23	..	..	..
21	14			Ham. Cot. pf.	....	20½	..	..	..
2¾	1			Ham. U. Theat.	....	1	..	..	..
56	46	7	14	Do. pref.	....	50	..	..	..
‡50	50			Hillcrest Coll.					
‡91	91			Do. pref.					
8¾	5¾		..	Hinde & Dauch	295	8	8½	8	8½
12	12			Holt Renfrew	....	12	..	..	..
50	35			Do. pref.	....	39	..	..	..
1.60	.25	.	...	Honey Dew	100	.30	.25	.25	.25
11	3	.	...	Do. pref.	....	3	..	..	..
11	4			H. Smith Pap.	210	6½	7	6½	7
73	35			Do. pref.	55	63	65	63	63
26	24	2	7.7	Humberstone S.	....	26	..	..	..
18	9	50c	5	Hunts (A)	....	10	..	..	..
16	9½	50c	5	Do. (B)	10	10	10	10	10
95	70	6	8.3	Huron & E. Mt.	2	71½	72	72	72
15	13	.	...	Do. 20% pd.	....	13	..	..	..
8	4½	.	...	Hydro Electric	....	4½	..	..	..
				I					
180	141	10	5.6	Imperial Bank	52	174	178	173½	178
15½	12½	50+15c	4.3	Imperial Oil	9811	14½	15	14½	14¾
14	10½	52½c	4.7	Imperial Tob.	2738	10¾	11½	10¾	11
17½	14	.	...	Inter. City Bak.	....	17½	..	..	..
§5½	5½	4		Inter'c Coal	....	5½	..	..	..
100	100	8	8	Do. pref.	....	100	..	..	..
b9½	3½	.	...	Int. Hyd. E. A.	4300	3½	4½	3½	4
5	3½	.	...	Int. Metal Ind.	85	3½	4	3½	3½
40	40	.	...	Do. pref.	....	40	..	..	..
110½	99	7	6.9	Inter. Mill. pf.	10	102	101	100	101
99	84	6	6.3	Do. Series A.	....	94½	..	..	..
29	21½	15c		Inter. Nickel	16666	23½	24½	23½	23¾
5	3	.	...	Inter. Paints	....	4	..	..	..
b6½	2	.	...	Int. Pa. & P. A	200	2½	2½	2½	2½
b3½	1	.	...	Do. (B)	300	1½	1½	1½	1½
b2¾	1	.	...	Do. (C)	4000	1	1½	1	1
b24½	8½	.	...	Do. pref.	1400	9½	11½	9¾	10½
30½	19½	1.56	5.4	Inter. Pete.	5922	26¾	28½	26¾	28
4	2	.	...	Inter. Power	55	3½	3½	3½	3½
28½	14	.	...	Do. pref.	158	26	26½	26	26
13½	13½	.	...	Inter. St. Rly. A	....	13½	..	..	..
2½	2½	.	...	Do. (B)	....	2½	..	..	..
6½	2½	.	...	Int. Util. (A)	50	2¾	3	2¾	2¾
1.50	.50	.	...	Do. (B)	735	.50	.55	.50	.50
				J					
†40	40	1		Jam. Pub. Ser.	....	..	..	..	..
103	97	7	6.8	Do. pref.	....	103	..	..	..
				K					
5½	4	.	...	Kelvinator	45	4	4	4	4
95	80	7	7.5	Do. pref.	....	93	..	..	..
				L					
15	10	.	...	Lake of Woods	725	10	11	10¾	10¾
73	56	.	...	Do. pref.	....	67	..	..	..
82	75	4	4.9	Landed Bank	....	82	..	..	..
5	1	.	...	Langley's	....	4	..	..	..
63	25	7	12.5	Do. pref.	15	56	56	56	56
59	47½	3	5.3	Laura Secord	32	58	56	56	56
3½	1½	.	...	Lindsay, C. W.	....	2	..	..	..
40	35	.	...	Do. pref.	....	38	..	..	..
18½	14	1	5.9	Loblaw (A)	1216	16¾	17½	16¾	17
17¾	13½	1	5.9	Do. (B)	....	16¾	..	..	..
				M					
8	3½	.	...	MacKin. Steel	....	3½	..	..	..
†95	90	.	...	Do. pref.					
4	2½	.	...	Manitoba Pr.	10	2½	3	3	3
5.25	.50	.	...	Maple Leaf	20	.65	.65	.65	.65
10¾	5	.	...	Do. pref.	40	10	10	10	10
3	1	.	...	Do. (B)	....	1	..	..	..
12½	12½	.	...	Marcus Loew's	....	12½	..	..	..
85	60	7	8.2	Do. pref.	....	85	..	..	..
8½	3¾	.	...	Massey-Harris	1175	3¾	4	3½	4
14¾	10½	80c	6	McColl Fron.	1637	13½	13½	13	13½
91½	71½	6	6.7	Do. pref.	54	89½	90	88	89
17	10	.	...	Melchers (A)	210	11	11½	10¾	11
11	4½	.	...	Do. (B)	....	4½	..	..	..
‡35	35			Mercury Mills					
18	15	.	...	Do. pref.	....	15	..	..	..
16	15	.	...	Mitchell, J. S.	....	15	..	..	..
100	100	7	7	Do. pref.	6	100	100	100	100
10½	3	.	...	Mitchell, Robt.	5	5	4½	4½	4½
8	5	.	...	Monarch Knit.	....	5	..	..	..
72	45	1▲	...	Do. pref.	....	70	..	..	..
45	25	.	...	Montreal Cot.	....	37	..	..	..
87	67	7	8.7	Do. pref.	10	78	80	80	80
¼	¼	.	...	Montreal Exhib.					
4	3½	.	...	Mont. Is. Pr.	....	4	..	..	..
39½	30½	1.50	4.5	Mont. L. & Pr.	4613	32¾	33	32½	32½
47	38	2.50	5.8	Montreal Loan	....	43	..	..	..
8½	5	.	...	Mtl. Ref. & S. P.	....	5	..	..	..
1½	1½	.	...	Do. Vot. Trust	....	1½	..	..	..
55	50	3.20	6	Montreal Tele.	5	53½	53½	53½	53½
125	93	9	9.5	Montreal Trams	11	95	96	95	95
17½	11	.	...	Moore Corp.	394	14	14	13	14
120	96	7	6.7	Do. pref. (A)	20	106	105	105	105
130	109½	7	5.8	Do. pref. (B)	....	120	..	..	..
3	1	.	...	Muirheads	....	1½	..	..	..
6½	6	.	...	Do. pref.	....	6	..	..	..
				N					
28¾	23½	1.60	5.7	Nat. Breweries	1567	27½	28½	27½	27¾
37	31	1.75	4.7	Do. pref.	....	37	..	..	..
118	90½	7	6.1	Nat. Groc. pfd.	....	115	..	..	..
20¾	14½	.	...	N. Sew. Pipe A	....	18½	..	..	..
18½	12½	.	...	Nat. Steel Car	80	13½	13	12½	13
185	140	8	4.8	National Tr.	....	165	..	..	..
8½	8	.	...	Niag. W. Weav.	40	8	8½	8½	8½
38	31	3	7.9	Do. pref.	....	38	..	..	..
1.50	.50	.	...	North Star Oil.	....	.50	..	..	..
3.00	1.00	.	...	Do. pref.	600	1.10	1.00	1.00	1.00
				O					
209	180	8	4.10	Ogilvie Flour	....	195	..	..	..
140½	125	7	5.1	Do. pref.	1	138	138	138	138
9	5½	.	...	Ont. Eq. 10% p.	90	5½	6	6	6
105	102	6	5.8	Ontario Loan	....	104	..	..	..
7	2½	.	...	Ont. Silknit	....	3	..	..	..
45	31	.	...	Do. pref.	5	38	36	36	36
10	10	.	...	Ont. Steel	....	10	..	..	..
.90	.25	.	...	Orange Crush	....	.40	..	..	..
9¾	5	.	...	Do. 1st pref.	....	7	..	..	..
1.10	.30	.	...	Do. 2nd pfd.	....	.35	..	..	..
5	5	.	...	Ottawa Car	....	5	..	..	..
92	79	6	6.7	Ott. L. H. & Pr.	....	89	..	..	..
103	90	6.50	6.4	Do. pref.	5	100½	101	101	101
20	5	50c		Ott. Traction	....	15	..	..	..
				P					
77	55	3	4.4	Page Hersey	270	68	70½	66½	66½
30	24	.	...	Paton Mfg.	....	24	..	..	..
90	90	7	7.8	Do. pref.	....	90	..	..	..
62	47	3	5	Penmans	....	60	..	..	..
102	90	6	5.9	Do. pref.	....	102	..	..	..
20½	14	1	5.1	Photo Eng.	115	19½	19¾	19½	19½
66	60	7	10.8	Porto Rico Pr. p	....	65	..	..	..
15	7½	.	...	Power Corp.	365	10	10	9¾	10
85	51	6	8.2	Do. pref.	235	73	73	72	72
2	½	.	...	Prairie C. Oil.	....	½	..	..	..
20½	11¾	.	...	Pressed Metals.	25	12	11¾	11¾	11¾
6.00	.95	.	...	Price Bros.	770	2.87	2.75	2.00	2.50
37½	7	.	...	Do. pref.	....	27½	..	..	..
				Q					
20	15	1	6.2	Quebec Power	71	16½	16	16	16
				R					
§95	85	3		Real Estate L'n	....	85	..	..	..
6½	2	.	...	Regent Knit.	226	3¾	3¾	3½	3¾
5	3	.	...	Reliance Grain	....	5	..	..	..
24½	19	1°	4.3	River. S. Mills	....	23	..	..	..
9½	5½	.	...	Rogers Majest.	1071	8	8	7¾	7¾
168	129½	8	4.8	Royal Bank	503	163½	165	160	160
17	17	.	...	Russell Motor	....	17	..	..	..
48	40	4	8.6	Do. pref.	....	46½	..	..	..
				S					
3	2½	.	...	Sarnia Br. (A)	....	3	..	..	..
1¾	1¾	.	...	Do. (B)	....	1¾	..	..	..
24½	17½	50c	2.7	Shawinigan	1420	17¾	18¾	18	18½
21	12½	.	...	Sher. Wms.	....	12½	..	..	..
87½	56	.	...	Do. pref.	....	85	..	..	..
10	6¾	.	...	Simon & Son	....	7½	..	..	..
100	65	.	...	Do. pref.	....	100	..	..	..
77	42½	1	...	Simpson, Ltd.	107	75	77	74	76½
17	9½	.	...	Do. (A)	....	11	..	..	..
8	4	.	...	Do. (B)	....	6½	..	..	..
97	80	6	6.2	Simpson, R. p.	5	96	96½	96½	96½
16	11	80c	6.4	So. Can. Pr.	290	12½	13	12	12
90½	72	6	6.8	Do. pref.	34	90	90½	87	87
3.50	1.50	.	...	St. Law. Corp.	515	1.85	1.90	1.50	1.90
11¾	5½	.	...	Do. (A)	3	7	6	6	6
45	33	1.50	3.3	St. Law. Flour	....	45	..	..	..
101	96	7	7	Do. pref.	....	100	..	..	..
26	12	.	...	St. Law. Pap. p	161	15½	15½	14¾	14¾
9	5	.	...	Stand. Chem.	....	5	..	..	..
4½	.85	.	...	St. Pav. & Mat.	435	.95	.95	.85	.95
25	17½	.	...	Do. pref.	....	19	..	..	..
11½	5	.	...	Stand. Steel	....	5½	..	..	..
§30	30	.	...	Do. pref.					
38	26	1.20	3.5	Steel of Can.	677	34	35	33½	34½
39	31	1.75	4.6	Do. pref.	63	36½	38	36½	38
3	2	.	...	Sterling Coal	....	2	..	..	..
9	4½	.	...	Stop & Shop	60	6	6	6	6
*483	483	.	...	Sun Life Assur.	....	483	..	..	..
2½	2	.	...	Supersilk H.	....	2½	..	..	..
65	50	3.50	6.7	Do. pref.	....	52	..	..	..
29¾	16	1	4.3	Sup. Pete. ord.	320	23	23	21	21
28	16½	1	4.4	Do. com.	....	22½	..	..	..
107	99	7	6.7	Do. pref.	....	105	..	..	..
				T					
28	20	.	...	Tamblyn	25	20	25	20	25
106	98	7	6.7	Do. pref.	10	105	104	104	104
7	6	25c	...	Thayers	25	6	6	6	6
42	13	3.50	9.2	Do. pref.	....	38	..	..	..
11½	8	40c	5	Thrift Stores	....	8	..	..	..
25	19	1.62½	8.5	Do. pref.	10	23	19	19	19
13½	6½	.	...	Tip Top Tailors	10	7	7	7	7
80½	63½	7	10.3	Do. pref.	....	68	..	..	..
†22	10	.	...	Tooke Bros.					
15	12	.	...	Do. pref.	....	12	..	..	..
28	17	1	3.8	Tor. Elevators	5	28	26	26	26
102	89½	7	6.9	Do. pref.	....	100½	..	..	..
120	105	6	5.4	Tor. Gen. Tr.	....	110	..	..	..
110	100	6	5.6	Toronto Mtge.	....	107	..	..	..
1.10	.10	.	...	Traymore	....	.15	..	..	..
4½	1	.	...	Do. pref.	....	1	..	..	..
127	116	7	5.5	Tuckett Tob. p.	....	127	..	..	..
8½	1¾	.	...	Twin City	....	4	..	..	..
b39	6	.	...	Do. pref.	....	24½	..	..	..
				U					
6½	3½	.	...	Union Gas	255	3½	3½	3½	3½
3.50	.90	.	...	United Distill.	....	.90	..	..	..
3	3	.	...	United Fuel	....	3	..	..	..
20½	9½	.	...	Do. pref.	20	14	14	13½	13½
12½	12½	.	...	Un. Amuse. A	....	12½	..	..	..
‡7½	7½	.	...	Do. (B)	....	7½	..	..	..
33	17	2	6.1	United Secs.	....	33	..	..	..
6½	2½	.	...	United Steel	135	2½	2½	2½	2½
				V					
5	1	.	...	Viau Biscuit	5	1	2	2	2
23	17	.	...	Do. pref.	....	17	..	..	..
				W					
37	20	.	...	Wabasso Cot.	....	23	..	..	..
57¾	21	.	...	Walker-Good.	2161	24½	26½	24½	25¾
17¾	13½	1	6.5	Do. pref.	1014	15	15½	15	15
10.05	3.90	.	...	Walkerville Br.	3842	7.60	8.10	7.25	8.00
4	1	.	...	Waterloo Mfg.	50	1	1	1	1
8½	6	.	...	West. C. Flour	65	6½	6½	6½	6½
62	48	3	6	Do. pref.	....	50	..	..	..
34	30	.	...	West. Grocers	5	32	32	32	32
100	85	7	7	Do. pref.	....	100	..	..	..
47¾	28	1	2.2	Weston Bisc.	1212	41	46½	40½	46½
110	88½	7	6.5	Do. pref.	20	109	110	108	108
5	2	.	...	Whittall Can	....	2	..	..	..
65	35	6.50	13	Do. pref.	....	50	..	..	..
2	2	.	...	Windsor Hotel	....	2	..	..	..
18	5½	.	...	Do. pref.	50	7	6	6	6
4	1¾	.	...	Winnipeg Elec.	460	2½	3	2½	3
12	4	.	...	Do. pref.	22	10¾	10¾	10	10½
24½	24½	.	...	Wood, A. & J. p	....	24½	..	..	..
50	20	.	...	Woods Mfg. p.	....	44	..	..	..
				Z					
6½	4	.	...	Zimmerknit, c.	....	5½	..	..	..
76	50	7	9.2	Do. pref.	9	75	76	76	76

§ Quotations for 1933. No sales recorded in 1934 to date.
x Quotations for 1932. ‡ Quotations for 1930.
† Quotations for 1931. b New York Quotations.
* See "Unlisted Stocks" also.
° Plus 25c. on arrears payable Oct. 1.
▲ On account of arrears.
■ Plus 87½c on arrears paid Aug. 15.

Active Corporation Bonds

(Furnished by Royal Securities Corp., Toronto)
September 25, 1934

Public Utility Issues:	Int. Rate	Due	Bid Sept. 25	Asked	Bid Sept. 18
Beauharnois L. H. & Power	5½%	1973	99½	101	100
Beauharnois Power Corp.	6%	1959	66	...	66
Beauharnois Power Corp.	5%	1973	53	55	53
Bell Telephone	5%	1955	106	107½	106½
Bell Telephone	5%	1957	108	109½	108
B. C. Power	5%	1960	99	100½	99
B. C. Power	5½%	1960	103	104½	103½
B. C. Telephone	5%	1960	102	103½	102½
Calgary Power	5%	1960	95	97	95½
Canada Northern Power	5%	1953	94½	96½	95½
Cedars Rapids Mfg. & Power	5%	1953	109½	110½	109
Dominion Gas & Electric	6½%	1945	58	60	57½
Duke-Price Power	6%	1966	89	91	90½
Gatineau Power	5%	1956	92	94	92
Gatineau Power	6%A	1941	88	90	88
Gatineau Power	6%B	1941	86	88	87
International Hydro-Electric	6%	1944	46	48	42
Jamaica Public Service	5%	1950	99½	101	99
Maclaren-Quebec Power	5½%	1961	100	101½	99½
Manitoba Power	5½%	1951	62	64	61½
Montreal Island Power	5½%	1957	102	104	102
Montreal L. H. & Power	5%	1951	106	107½	106½
Montreal L. H. & Power	5%	1970	106½	108	106½
Montreal Public Service	5%	1942	104	106	104½
Montreal Tramways	5%	1955	73	75½	73
Montreal Tramways	4½%	1955	68	70	68½
Montreal Tramways	5%	1941	98½	100½	98½
National Light & Power	6%	1949	83	...	83½
N. B. Power	5%	1937	70	73	70
Northwestern Utilities	7%	1938	98½	100½	99
N. S. Light & Power	5%	1958	97½	100	97½
Ottawa Light, Heat & Power	5%	1957	103	104½	103
Ottawa Valley Power	5½%	1970	104	105½	104
Power Corp.	4½%	1959	76	78½	76
Provincial Light & Power	5%	1946	104	106	104½
Quebec Power	5%	1968	99½	101	99½
Rio de Janeiro T. L. & Power	5%	1935	100½	102½	100½
Shawinigan Water & Power	6%	1937	101½	103½	101
Shawinigan Water & Power	4½%	1970	91	93	92
Shawinigan Water & Power	5%	1970	99	100½	99½
Southern Canada Power	5%	1955	102	104	103
United Securities	5½%	1952	76	78½	77½
West Kootenay Power	5%	1956	104½	106	104½
Western Power Co.	5%	1949	102½	104½	102½
Winnipeg Electric	5%	1935	94	96	94½
Winnipeg Electric	6%	1954	55	57½	53
Industrial and Realty Issues:					
Abitibi Pulp & Paper	5%	1953	26½	28½	26
Abitibi Pulp & Paper C.O.D.'s	5%	1953	21½	23½	20½
Acadia Sugar	6%	1946	102½	104½	102½
Alberta Pacific Grain	6%	1946	79½	81½	78½
Algoma Steel	5%	1962	13½	16	14
American Sales Book	6%	1939	101½	...	101½
Asbestos Corp.	5%	1942	99	...	99
Atlantic Sugar	5%	1941	95	...	95
Balfour Building	6%	1934	41	...	40½
Belding-Corticelli	5%	1936	103½	...	103½
Bloor-St. George Realty	7%	1946	40	...	40
Booth Buildings	6½%	1937	98	...	98
Brandram-Henderson	6%	1936	92	95	92
British American Oil	5%	1945	104	105½	103½
British Columbia Pulp & Paper	6%	1950	66½	68½	66
Brown Co.	5½%	1946	44½	47	41½
Burns & Co.	5½%	1948	28	30	26
Canada Biscuit	6½%	1946	18½	21	18½
Canada Bread	6%	1941	97	100	96½
Canada Cement	5½%	1947	94½	96½	94½
Canada Paper	6%	1945	90	...	90
Canada Steamship	5%	1943	92	94½	91½
Canada Steamship	6%	1941	25½	27½	26
Canadian Canners	6%	1950	103½	105½	103½
Canadian Consolidated Felt	6%	1940	90	...	90
Canadian Copper Refiners	6%	1945	106½	108½	106½
Canadian Cottons	5%	1940	101	...	101
Canadian Goodrich	7%	1943	47	...	47
Canadian International Paper	6%	1949	60	62	60
C. P. R.	6%	1942	104½	106	105
C. P. R.	4½%	1944	89	90½	90
C. P. R.	5%	1954	94½	96	94
Canadian Rail & H. Terminals	6½%	1951	18	20	19
Canadian Vickers	6%	1947	52½	54½	52½
Consolidated Investment	4½%	1959	70	...	70
Consolidated Paper	5½%	1961	13	14½	15
Cosmos Imperial Mills	6½%	1944	101½	...	101½
Debenture & Security	4%	1936	75½	...	75½
Dominion Canners	6%	1940	106½	...	106½
Dominion Square Corp.	6%	1948	52	54	50
Dominion Tar	6%	1949	87	89½	86
Dominion Textile	6%	1949	108½	110	108½
Dominion Woollens & Worsteds (with stock)	6%	1948	45½	48	46
Eastern Dairies	6%	1949	66	69	66
Eaton T. Realty	5%	1949	99½	101	99½
Famous Players	6%	1948	92	94½	91
Famous Players	6½%	1948	76	79	75
Federal Grain	6%	1949	83½	...	83
Firestone Tire	7%	1937	100	...	100
Fraser Companies	6%	1950	40	42	39½
French National Mail S.S.	6%	1952	162	...	162
Galt Brass	7½%	1941	37	...	36½
General Brock Hotel	6%	1948	31	33½	31
General Steel Wares	6%	1952	80	82	81½
Godfrey Realty	6%	1942	40	...	39
Great Lakes Paper	6%	1950	28	30	29
Gypsum Lime & Alabastine	5½%	1948	79½	81½	76½
Hamilton Cottons	5½%	1948	91½	...	91
Hamilton By-Products Coke	7%	1943	99	101½	99
Hinde & Dauch	5½%	1948	91	...	91
International P. & P. Nfld.	5%	1968	93½	95½	93½
Inter City Baking	5½%	1948	84½	...	84½
Lake St. John Power & Paper	6½%	1947	...	53	50½
Lake St. John Power & Paper	6½%	1942	...	22	...
London & Can. Invest.	4½%	1948	75	...	75
London Realty	6%	1950	80½	83	79
Lord Nelson Hotel	4%	1947	...	52	...
Maple Leaf Milling	5½%	1949	37	40	35½
Massey-Harris	5%	1947	70	72½	70
McColl Frontenac	6%	1949	102	103½	103
McKinnon Industries	6½%	1945	103½	...	103½
Mercury Mills	5½%	1953	...	65	...
Metropolitan Building	7%	1944	100	...	100
Minnesota & Ontario Paper	6%	1945	13	15	14
Montreal Coke	5½%	1957	101½	103½	101½
Montreal Cottons	5%	1947	95	...	95
Montreal Dry Docks	6%	1948	46	49	46
Northern Electric	5%	1939	104	...	104
Nothern Ontario Building	6½%	1939	96	100	96½
Ontario Building	6½%	1943	37	...	37
Pacific Burt	6½%	1937	100	...	100
Penmans	5½%	1951	106½	...	106½
Price Bros. (Co'D.)	6%	1943	85½	87½	85
Provincial Paper	5½%	1947	97	...	96½
Queen's Hotel	6%	1947	69	72	69
Reliance Grain	6%	1948	86½	88½	86½
Restigouche Co.	5½%	1948	72	74½	72
Richmond Bay Building	6½%	1947	88	...	87½
Riordon Pulp & Paper	6%	1942	103½	...	103
Ritchie Cut Stone	6½%	1948	74	...	74
Rolland Paper	5½%	1948	97½	100	97
Ruddy Co., E. L.	6½%	1948	68	71	68
St. Lawrence Flour	6%	1941	101	...	101
Shawinigan Cotton	6%	1949	88	91	88
Simpsons Ltd.	6%	1949	98½	100½	98
Smith, Howard	5½%	1953	95½	97½	96
Steel Co. of Canada	6%	1940	108½	110	108½
Stop & Shop	6%	1947	89	...	87
Toronto Carpet	6%	1944	99½	...	99½
United Amusement	6%	1942	89½	92	88
United Corpns.	5%	1953	75	78	75
United Gas & Fuel	5½%	1948	87½	90	87
United Grain Growers	5%	1948	83	85½	83½
Wabasso Cotton	6%	1947	97	...	97
Wabasso Cotton	7%	1942	99½	...	99½
Windsor Hotel	6½%	1943	...	71	...
Woods Mfg.	6%	1943	86	...	86

Dominion and Provincial Bonds

Quotations furnished by A. E. Ames & Co., Toronto
September 26, 1934

Dominion of Canada Bonds

					Bid	Asked	Approx. Yield
*†Dominion	5	1	Mar.,	1937	106.90	107.20	1.94
†Dominion	5½	1	Dec.,	1937	109.50	109.85	2.37
Dominion	5½	1	Nov.,	1934	100.30	100.50	.51
Dominion	3½	15	Oct.,	1935	101.00	101.40	2.07
Dominion	4	15	Oct.,	1935	101.25	101.75	2.22
Dominion	5	15	Nov.,	1936	104.50	105.00	2.62
Dominion	4	15	Oct.,	1939	104.00	104.75	3.12
Dominion	4½	1	Sept.,	1940	107.00	107.75	3.07
Dominion	5	15	Nov.,	1941	110.00	110.50	3.33
Dominion	5	15	Oct.,	1943	110.50	111.25	3.53
Dominion	4½	15	Oct.,	1944	107.00	107.50	3.60
§Dominion	4	15	Oct.,	1943-48	102.75	103.25	3.58
Dominion	4½	1	Feb.,	1946	107.00	107.50	3.69
§Dominion	4	15	Oct.,	1947-52	102.50	103.25	3.68
§Dominion	4½	1	Nov.,	1946-56	106.35	106.80	3.80
§Dominion	4½	1	Nov.,	1947-57	106.35	106.80	3.83
§Dominion	4½	1	Nov.,	1948-58	106.80	107.10	3.83
§Dominion	4½	1	Nov.,	1949-59 (with talons)	106.90	107.20	3.87
Dominion Guaranteed Bonds							
xCan. Nat. Ry.	4½	1	Sept.,	1951	108.25	108.75	3.80
*Can. Nat. Ry.	4½	1	July,	1957	107.25	107.75	3.99
Can. Nat. Ry.	5	1	Feb.,	1954	112.50	113.00	4.04
xCan. Nat. Ry.	4¾	15	June,	1955	111.50	112.00	3.91
xCan. Nat. Ry.	4½	1	Feb.,	1956	108.75	109.25	3.86
xCan. Nat. Ry.	4½	1	Dec.,	1968	103.25	104.00	4.29
§xCan. Nat. Ry.	5	1	Oct.,	1969	114.00	114.50	3.96
§xMontreal Harbor Cm.	5	1	Nov.,	1969	114.25	115.25	3.94
Provincial Government Bonds							
*Alberta	4½	1	Oct.,	1956	93.50	95.50	4.83
Alberta	6	1	Mar.,	1947	104.00	106.00	5.33
*British Col.	4½	1	Oct.,	1953	92.00	94.00	4.99
British Col.	5½	1	Feb.,	1945	98.50	100.50	5.43
British Col.	6	15	Feb.,	1947	100.00	102.00	5.77
xManitoba	5	2	Dec.,	1959	100.00	102.00	4.86
Manitoba	5½	1	Oct.,	1955	101.50	103.50	5.22
Manitoba	6	1	Apr.,	1947	104.00	106.00	5.33
*N. B.	4½	15	Apr.,	1960	105.50	106.50	4.34
N. B.	5	2	July,	1963	111.50	112.50	4.23
N. B.	5½	15	May,	1950	112.00	113.00	4.36
N. Scotia	4½	15	May,	1943	103.50	105.00	3.82
*N. Scotia	5	1	Mar.,	1960	111.75	112.50	4.19
xOntario	4	1	June,	1962	102.50	103.25	3.82
xOntario	4½	1	Sept.,	1944	107.50	108.50	3.43
Ontario	4½	1	June,	1950	106.00	107.00	3.90
xOntario	5	2	Dec.,	1960	115.50	116.25	4.02
Ontario	5½	1	July,	1946	114.00	115.00	3.92
§Ont. H. C.	3½-4-5	1	Oct.,	1952	98.50	99.00	3.88
xOnt. H. C.	4	1	Aug.,	1957	102.00	103.00	3.81
Ont. H. C.	4½	1	Jan.,	1970	111.25	112.25	4.09
Quebec	4½	1	Aug.,	1958	105.00	105.75	3.87
Sask.	5	1	Aug.,	1958	93.00	95.00	5.37
*Sask.	5	1	Nov.,	1959	93.00	95.00	5.36
Sask.	5½	1	Oct.,	1952	98.00	100.00	5.50
Sask.	6	15	Mar.,	1952	101.00	103.00	5.72
Municipal Bonds							
*Calgary	5½	2	June,	1944	89	93	6.45
*Edmonton	5½	1	Nov.,	1945	89	93	6.37
*Halifax	5	1	July,	1961	109	110½	4.34
Hamilton	5	1	May,	1950	108	109½	4.18
Montreal	5	1	Mar.,	1945	100	102	4.75
Ottawa	4½	1	July,	1945	103½	105	3.93
*Quebec	5	1	June,	1959	103	104½	4.69
Regina	5	1	July,	1944	80	85	7.12
St. John	5	15	Dec.,	1950	106	108	4.32
*Toronto	4½	1	Jan.,	1955	105½	108	3.93
Victoria	5	21	July,	1945	90	95	5.62
Winnipeg	5	1	Mar.,	1944	95½	98½	5.20

†Tax exempt issues. *Payable in Canada and New York.
§Yield at call price. xPayable in Canada, New York and London.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Agnew-Surpass, pref.	7%	1¾%	Oct. 1	Sept. 15
Associated Breweries, com.	...	25c	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Biltmore Hats, pfd.	7%	1¾%	Sept. 15	Aug. 15
B. C. Elec. Pr. & Gas, pfd.	6%	1½%	Oct. 1	Sept. 20
Brockville Trust	$2.50	62½c	Oct. 1	Sept. 20
Building Products A & B	$1	25c	Oct. 1	Sept. 18
Burt, F. N.	$2	50c	Oct. 1	Sept. 17
Do. pref.	$7	$1.75	Oct. 1	Sept. 17
Brantford Cordage, pref.	8%	2%	Oct. 15	Sept. 20
Bralorne Mines	60c	15c	Oct. 15	Sept. 29
British American Oil (15)	80c	20c	Oct. 1	Sept. 15
Bruck Silk Mills	$1	25c	Oct. 15	Sept. 15
Bell Telephone	$6	$1.50	Oct. 15	Sept. 22
Brazilian Traction, pfd.	$6	$1.50	Oct. 1	Sept. 15
B. C. Power, A	$1.50	38c	Oct. 15	Sept. 30
Bank of Nova Scotia	12%	3%	Oct. 1	Sept. 15
Can. Perm. Mortgage	$8	$2	Oct. 1	Sept. 15
Canadian Cottons, com.	$4	$1	Oct. 1	Sept. 15
Do., pref.	$6	$1.50	Oct. 1	Sept. 15
Can. General Electric	$3	75c	Oct. 1	Sept. 15
Do., pref.	$3.60	87½c	Oct. 1	Sept. 15
Can. Foreign Investment	$1	25c	Oct. 1	Sept. 20
Do., pref.	8%	2%	Oct. 1	Sept. 20
Canada Northern Power, com.	$1	25c	Oct. 25	Sept. 29
Do., pref.	7%	1¾%	Oct. 15	Sept. 29
Can. Wire. Box., A (on arrears)	...	25c	Oct. 1	Sept. 15
Calgary Power, com.	$6	$1.50	Oct. 1	Sept. 15
Central Canada Loan	$8	$2	Oct. 1	Sept. 21
Canadian Canners, 1st pref.	$6	$1.50	Oct. 1	Sept. 15
Do., 2nd pref.	30c	7½c	Oct. 1	Sept. 15
Canadian Celanese, pref.	$7	$1.75	Sept. 30	Sept. 14
Do., on arrears	...	75c	Sept. 30	Sept. 14
Consumers' Gas	10%	2½%	Oct. 1	Sept. 15
Confederation Life	$4	$1	Sept. 30	Sept. 25
Crown Trust	$7	$1.75	Oct. 1	Sept. 30
Canada Life	$20	$5	Oct. 1	Sept. 30
Canada Packers, pfd.	$7	$1.75	Oct. 1	Sept. 15
Crow's Nest Pass Coal	$4	$2	Oct. 5	Sept. 20
Canada Dry Ginger Ale	$1	25c	Oct. 15	Oct. 1
Can. Silk Products, com. A	$1.50	37½c	Aug. 31	Aug. 15
Can. Industries, pref.	$7	$1.75	Oct. 15	Sept. 29
Do., com. A	$4	$1	Oct. 31	Sept. 29
Do., com. B	$4	$1	Oct. 31	Sept. 29
Canadian Oil, pfd.	$8	$2	Oct. 1	Sept. 20
Can. Westinghouse	$2	50c	Oct. 1	Sept. 20
Dome Mines	$2	50c	Oct. 20	Sept. 29
Dominion Glass	$5	$1.25	Oct. 1	Sept. 15
Do., pref.	$7	$1.75	Oct. 1	Sept. 15
Dominion Rubber, pref.	$7	$1.75	Sept. 29	Sept. 20
Dominion Stores	$1.20	30c	Oct. 1	Sept. 15
Dominion Textile	$5	$1.25	Oct. 1	Sept. 15
Do., pref.	$7	$1.75	Oct. 15	Sept. 28
Dominion Bank	$10	$2.50	Oct. 1	Sept. 20
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Economic Invest. Trust	...	‡18¾c	Oct. 1	Sept. 20
Eastern Steel Products, pfd.	$7	$1.75	Oct. 1	Sept. 15
Edmonton C. Dairy, pfd.	6½%	1⅝%	Oct. 1	Sept. 15
Freiman, A. J., pref.	6%	1½%	Oct. 1	Sept. 15
Greening Wire, pref.	7%	1¾%	Oct. 1	Sept. 15
Fanny Farmer	$1	25c	Oct. 1	Sept. 15
Do., pref.	$2.40	60c	Oct. 1	Sept. 15
Gachin Gold Synd, units	60c	15c	Sept. 30	Sept. 15
Do., extra	..	10c	Sept. 30	Sept. 15
Goodyear Tire	$5	$1.25	Oct. 1	Sept. 15
Do., pref.	$7	$1.75	Oct. 1	Sept. 15
Great West Life	$20	$5	Oct. 1	Sept. 20
Gurd, Chas., pref.	$7	$1.75	Oct. 2	Sept. 15
Great Lakes Power, pfd.	$7	$1.75	Oct. 15	Sept. 29
General Trust, pfd.	6%	1½%	Oct. 1	Sept. 26
Highland Dairy, pfd.	$7	$1.75	Oct. 1	Sept. 22
Hamilton United Theat., pref.	$7	$1.75	Sept. 29	Aug. 21
Huron & Erie Mtge. (No. 188)	6%	1½%	Oct. 1	Sept. 15
Hollinger Gold	65c	5c	Oct. 8	Sept. 21
Do., extra	..	10c	Oct. 8	Sept. 21
Howe Sound	$3	75c	Sept. 29	Sept. 21
Hunts, A & B	50c	12½c	Oct. 1	Sept. 18
Imperial Life	$15	$3.75	Oct. 1	Oct. 1
Imperial Tobacco, ord.	7%	1¾%	Sept. 29	Sept. 14
Do., pref.	6%	3%	Sept. 29	Sept. 14
International Nickel, com.	...	15c	Sept. 29	Aug. 30
International Nickel, pref.	7%	1¾%	Nov. 1	Oct. 2
Investment Foundation, pref.	$1.50	37c	Oct. 15	Sept. 29
Do., on arrears	...	13c	Oct. 15	Sept. 29
Imperial Bank	$10	$2.50	Nov. 1	Sept. 29
Kirkland Lake Gold	...	*3c	Dec. 1	Nov. 1
Jamaica Public Service, com.	$1	25c	Oct. 1	Sept. 14
Do., pref.	$7	$1.75	Oct. 1	Sept. 14
Do., pref.	7%	1¾%	Oct. 1	Sept. 14
Landed Banking & Loan	4%	1%	Oct. 1	Sept. 15
McColl-Frontenac, pref.	$6	$1.50	Oct. 15	Sept. 29
Montreal L. Heat & Pr. Cons.	$1.50	37c	Oct. 31	Sept. 30
Montreal C. & D. Bank	$12	$3	Oct. 1	Sept. 15
Mitchell, J. S., pref.	$7	$1.75	Oct. 1	Sept. 15
Monarch Knitting, pref.	...	*$1	Oct. 1	Sept. 15
Montreal Tramways	$9	$2.25	Oct. 15	Oct. 4
Marcus Loew's Theat., pfd.	$7	$1.75	Oct. 1	Sept. 22
Moore Corp., pref. A & B	$7	$1.75	Oct. 1	Sept. 20
Montreal Telegraph	8%	2%	Oct. 15	Sept. 29
National Trust	$8	$2	Oct. 1	Sept. 20
National Grocers, pref.	7%	1¾%	Oct. 1	Sept. 20
National Breweries	$1.60	40c	Oct. 1	Sept. 15
Do., pref.	$1.75	44c	Oct. 1	Sept. 15
Niagara Wire Weaving, pref.	$3	75c	Oct. 1	Sept. 15
Northern Ont. Power	$2	50c	Oct. 25	Sept. 29
Do., pref.	$6	$1.50	Oct. 25	Sept. 29
National Life	$2.50	62½c	Oct. 1	Sept. 10
New England Power, pfd.	$6	$1.50	Oct. 1	Sept. 15
Do., pref.	$2	50c	Oct. 1	Sept. 15
Ottawa L. H. & Pr.	6%	1½%	Oct. 1	Sept. 15
Do., pref.	6½%	1⅝%	Oct. 1	Sept. 15
Ontario Loan & Debenture	12%	3%	Oct. 1	Sept. 15
Ottawa Traction	...	50c	Oct. 1	Sept. 15
Ogilvie Flour, com	$8	$2	Oct. 1	Sept. 21
Penman's	$3	75c	Nov. 15	Nov. 5
Do., pfd.	$6	$1.50	Nov. 1	Oct. 22
Page-Hersey Tubes	$3	75c	Oct. 1	Sept. 20
Do., pref	$7	$1.75	Oct. 1	Sept. 20
Porto Rico Power, pref.	$7	$1.75	Oct. 1	Sept. 15
Pioneer Gold of B. C.	80c	20c	Oct. 1	Sept. 1
Power Corp., pref.	$6	$1.50	Oct. 15	Sept. 29
Do., 2nd pref.	$3	75c	Oct. 15	Sept. 28
Premier Gold Mines	12c	3c	Oct. 15	Sept. 14
Provincial Paper, pfd.	$7	$1.75	Oct. 1	Sept. 15
Paton Manufacturing, pfd.	$7	$1.75	Sept. 15	Aug. 31
Perfection Petrol., pfd.	$1.50	37½c	Oct. 1	Sept. 30
Riverside Silk, A	$1	25c	Oct. 1	Sept. 15
Do., on arrears	..	25c	Oct. 1	Sept. 15
Sylvanite Gold	20%	5%	Sept. 30	Sept. 1
Siscoe Gold Mines	12c	3c	Sept. 29	Sept. 15
Do., bonus	..	2c	Sept. 29	Sept. 15
Southern Can. Power, pref.	$6	$1.50	Oct. 15	Sept. 20
Standard Fuel, pref.	6½%	1⅝%	Oct. 1	Sept. 15
Supertest Petrol, ord. & com.	$1	25c	Oct. 1	Sept. 14
Do., pref., A	$7	$1.75	Oct. 1	Sept. 14
Do., pref., B	$1.50	37½c	Oct. 1	Sept. 14
Silverwoods, pfd.	4%	1%	Oct. 1	Sept. 20
Tamblyn, pfd	$7	$1.75	Oct. 1	Sept. 22
Teck Hughes	40c	10c	Nov. 1	Oct. 10
Tip Top Tailors, pref.	$7	$1.75	Oct. 1	Sept. 15
Toronto Gen. Trusts	6%	1½%	Oct. 1	Sept. 22
Tuckett Tobacco, pref.	7%	1¾%	Oct. 15	Sept. 29
Toronto Mortgage	$6	$1.50	Oct. 1	Sept. 15
Thrift Stores	40c	10c	Oct. 1	Sept. 15
Do., 1st pref.	$1.62½	40⅝c	Oct. 1	Sept. 15
Do., 2nd pref.	70c	17½c	Oct. 1	Sept. 15
United Securities, com.	$2	50c	Oct. 15	Sept. 27
United Gold Equities	10c	2½c	Oct. 25	Oct. 15
Weston, Geo., c.	$1	25c	Oct. 1	Sept. 20
Wright-Hargreaves Mines	40c	10c	Oct. 1	Sept. 10
Do., extra	...	5c	Oct. 1	Sept. 10
Whittall Can, pref.	$6.50	†$1.62½	Oct. 1	Sept. 15
Western Grocers, pref.	7%	1¾%	Oct. 15	Sept. 20
West Kootenay Power, pfd.	$7	$1.75	Oct. 1	Sept. 25

Dividend Rate Reduced—
Landed Banking & Loan, Oct. 1, 6% to 4% per annum.
Teck Hughes Gold 60c. to 40c. per annum, Nov. 1.

Dividends Passed or Deferred—
International Hydro-Electric, $3.50 pref., deferred Oct. 15. Last paid 87½c. July 16, 1934.
New England Power, com. passed Oct. 15. Last paid 25c. July 16, 1934.

Dividend Rate Increased—
Pioneer Gold of B.C., 60c to 80c per annum, Oct. 1.
Canadian Industries, com. A and B, $3.50 to $4 per annum, Oct. 31.

* On arrears.
† For quarter ended Dec. 31, 1932.
‡ Interim. Last payment 31¼c. Apr. 2, 1934.
° Initial.

Winnipeg Stock Exchange

(Transactions from Sept. 17 to Sept. 22)

Div. rate in $	Yield in %		Sales	High for period	Low for period	Close Sept. 22
..	..	Adanac	10,285	.28	.24	.25
..	..	Bailor Units	36	3.10	3.10	3.10
..	..	El Bonanza	610	.19	.19	.19
..	..	Forty-Four	50	14.50	14.50	14.50
..	..	Gold Lake	600	.60	.60	.60
..	..	Gabrielle	5,150	.83	.67	.82
20	5.6	Great-West Life	1	350.00	350.00	350.00
..	..	Island Lake	2,300	.09	.07	.08
..	..	Juno Gold	410	2.00	1.50	1.50
..	..	Long Lac Adair	11,900	.19	.18	.18
..	..	Kingfisher	19,200	.25	.22	.22
..	..	Kingfisher Units	1	160.00	160.00	160.00
..	..	Northern Mtge	10	4.00	4.00	4.00
..	..	Normandy	7	7.00	7.00	7.00
..	..	Oxford Lake	50	2.75	2.75	2.75
..	..	Rice Lake Units	18	25.00	22.75	23.50
..	..	Shawkey	3,000	.51	.48	.50
1	..	United Grain	2	11.00	10.25	11.00
..	..	Vanson Manitoba	3,600	.35	.35	.35
..	..	Wingold	3,050	.39	.36	.36
..	..	Wells Long Lac	1,500	.24	.21	.24
..	..	Wallace Lake	3,900	.12	.10	.12

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Pelissiers, pref.	..	23
Beaver Lumber, c.	3	3½	Sov. Life 25% pd.	..	15
Beaver Lumber, pf.	..	63	Traders' Bldg.	60	..
Crescent Cream. pf.	..	25	Can. Amer. Tr. sh.	2.45	2.70
Can. Fire Ins.	55	..	Can. Inv. Fund	..	3.40
Home Investment	20		Fundament. Ser. A	3.75	4.25
Northern Trust	..	15	Fundament. Ser. B	3.50	..
Pelissiers, com.	.25	..	Grouped Inc. shs.	..	3.80

* Stocks more active on other exchanges not included.

Listed Bond Quotations

Week Ending September 24, 1934

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1934 High	Low
Mtl. L.H. & P. debs.	3	1939	3.73	47½	47½	47	47½	43
Convers. Loan	4½	1959	...	107½	107½	..	107½	107½
Do.	4½	1958	...	107½	107½	..	107½	..

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Annual Review of Pulp and Paper Industry

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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Price Is Principal Drawback to Healthier Newsprint Situation

Wider Investment Interest Displayed In Paper Securities As Industry Moves Out of Rut

Much-deflated Bonds and Stocks Attract Speculative Interest as Conditions Point to Near Future Recovery of Operations and Earnings

MARKET VALUES REGISTER ADVANCE

Repayment of Bank Loans and Upbuilding of Working Capital Initial Problems Facing Managements With Return to Normalcy — Substantial Interest Charges Ahead of Stocks

More interest has been shown in pulp and paper securities in the past twelve months than at any time since the collapse of the industry late in 1928. For many years this type of security was one of the most attractive listed on the Canadian markets. Bonds and other senior securities were looked upon as high-grade investments. Preferred issues were regarded as "sure things," while common stock provided a substantial volume of the trading on the Montreal and Toronto Stock Exchanges.

Misdirected policies resulting in the over-expansion of the industry led to a serious decline in the market value of pulp and paper securities. With the passing of dividends, bond interest, and the coming of receiverships and financial difficulties, the securities of pulp and paper companies passed into disfavor. Their market values became a fraction of what they were prior to 1928, in fact, it became difficult to sell them.

Return of Speculation

This was the situation until toward the middle of last year when speculative interest in this class of securities became quite pronounced. It was argued that the industry had been through the worst of the depression and while the outlook was not as clear as it might be, still values had dropped so low that no matter what happened, the securities represented good value at their then level of prices. For a time there was a substantial following in pulp and paper securities and values advanced appreciably. While the dollar gains were relatively small, the percentage gains were quite impressive.

Interest in these bonds and stocks, particularly of the newsprint companies, was further stimulated by the marked improvement in the volume of business starting in about mid-year and continuing up to date.

Investment Interest Heavy

Aside from the speculative interest in newsprint securities, there are many investors who purchased bonds and stocks at the high levels of 1926 to 1928. They have continued to hang on to their holdings in the hope that eventually the industry will be able to work out of its troubles and in time resume its former high place in Canadian finance.

These investors, who are concerned more with the long-term outlook than with the short view, are the ones to whom the permanent welfare of the industry is of concern. In analysing the situation with a view to determining the outlook for these investors, two conditions are present. One is the operating and the other financial.

Conditions Have Improved

As to the operating side of the picture, it cannot be denied that in the course of the last twelve months the position of the industry has undergone strengthening. The volume of business being handled by the industry is well above 1933 levels and output for the current year should be well up with the production reported in the period between 1926 and 1930.

In considering the volume of business handled by the newsprint operators, however, it should not be overlooked that the business is not proportionately distributed; in other words, some of the companies are operating at capacity, while others are only utilizing half of their equipment. This has made for a weakness in the situation, but it is a condition which may be overcome before the end of the year.

Though the increased volume of tonnage has been welcomed by manufacturers, their lot is not a particularly happy one as long as present selling prices remain in force. The official rate of $40 a ton for delivery in the New York and Chicago zones does not permit of profitable operations, except in one or two instances where production costs are exceptionally low. The added tonnage, therefore, is not as favorable as one would take from a casual study of the industry's affairs. An advance in the price of newsprint of even $5 a ton, would make a pronounced difference in the earning power of the operators.

Work On Revision

Prospects of an increased price are not altogether unfavorable. There are several difficulties to be surmounted, however, before a higher price can be enforced. Negotiations are now going on with a view to eradicating these difficulties. While it is not possible to say at this time whether or not the discussions will be successful, there is better than an even chance that the manufacturers will get together in presenting a united demand for a more equitable return on their product.

Given an increased price and a continuance of the present trend of consumption of newsprint, the outlook for the newsprint manufacturers over the next twelve months is far more encouraging than it has been at any time in the last five years. While the companies will not be able to show anything in the way of substantial earnings in the next twelve months, they should be able to operate in the black, rather than the red, which has been far too common in the last couple of years.

Many Financial Difficulties

In considering the other side of the picture, namely, the financial side, there are a multitude of factors to consider. Many apply to individual companies only, but there are conditions which apply to all companies.

Of the 19 principal newsprint manufacturers in this country, five are in the hands of receivers. One other has gone through a reorganization and suspended service on its direct funded debt until 1936. Nine companies have loans and advances from the various financial institutions totalling over $27,000,000, while only a few have anything like an adequate working capital.

Rebuild Financial Structure

Before investors can expect to receive a return on their holdings; the companies concerned must necessarily rebuild their financial structure. Some will do it more quickly than others, but taken as a whole, it will necessarily be some little time before the industry is free of bank loans and working capital restored to what is considered as necessary for normal requirements.

With an increase in the price of newsprint and a continuation of demand, the best that can be expected for 1935 is the elimination of operating losses. Those companies which have managed to keep on the right side of the ledger in the last three years should do well, but in no case is there likely to be large surplus earnings.

Pay Off Bank Loans

Those companies with bank loans will be faced with the necessity of cleaning up their obligations. In this class there are such companies as Consolidated Paper, Abitibi, Canadian International Paper, Mersey Paper, Lake St. John, Price Bros. and Co., Spruce Falls Power and Paper, St. Lawrence Paper Mills, etc. In some instances the loans are not especially burdensome, while in the case of others they constitute a major consideration.

With bank loans eliminated or reduced to negligible proportions, the newsprint companies will undertake rebuilding of their sadly de-

(Continued on page 14)

Exchange Affects Return to Producer

Though the official price for delivery of Canadian newsprint in the New York and Chicago zones over the past year has been $40 a ton, there has been a decline of nearly $1.50 a ton in the net return to the operator in this country due to the vagaries of exchange. In August last year there was an average loss of around 25 cents in converting the American dollars into Canadian dollars for each ton of newsprint sold. At present the Canadian operator loses about $1.25 a ton on the conversion of currency, so that his income has been lessened by approximately $1.50 a ton in the past year.

At one time the premium on American funds constituted an important source of revenue to the Canadian manufacturer, as much as $8 a ton being netted on converting American dollar payments into Canadian funds.

BANKS LOAN $30,000,000 TO OPERATORS

Pulp and Paper Firms Slowly Reducing Advances

NEED MORE MONEY

Advances on Logging Operations Depend on Price During 1935

Further financing of the pulp and paper operators by the banks, in order to assure sufficient pulpwood to carry on next year's operations, will be determined largely by the success of present negotiations to bring the companies together in order to secure a better price for newsprint paper.

According to the latest compilation Canadian pulp and paper companies owe to the banks and trust companies a sum approximating $30,000,000.

List of Borrowers

Nine Canadian producers list loans of over $27,000,000, while the balance is owing by operators having interests in both the United States and Canada. Consolidated Paper is by far the most heavily indebted, being a borrower to the extent of $13,998,179. Advances to the other companies follow:

Abitibi	$3,515,333
Can. Inter. Paper	1,324,000
Lake St. John	465,990
Mersey Paper	3,746,000
Price Bros.	2,160,000
Spruce Falls	1,052,358
St. Lawrence Paper	3,625
Howard Smith	756,000

At the moment there does not appear a likelihood of any marked reduction of these loans in the near future. Since the list was compiled—most of the reports were dated at the end of last year—reductions have been made, but some time will necessarily elapse before the pulp and paper operators have wiped off their loans.

Need New Wood

The matter of concern at the moment, however, is not the old loans, but the possible new loans in order to finance woods operations this winter to assure the mills of a sufficient supply of pulpwood.

For the past two or three years the majority of the manufacturers have been drawing on the woodpile at the mill. They have done little or no cutting in the bush to replace the wood taken from the pile. Purchases have been made from independent pulpwood operators, settlers and others, but the continuity of supply is far from being assured. Nearly all of the operators, therefore, are faced with the necessity of resuming woods operations on a larger scale than has prevailed in recent years.

Further Loans Likely

In order to do this it will be necessary to go to the banks for additional advances. Under normal circumstances this business would be welcomed by the banks. Having in mind the existence of already large loans, however, the banks are not too eager to make further advances. This hesitation is further emphasized owing to the fact that many of the companies are operating at a loss and the banks do not feel like advancing money for woods operations when the finished product is likely to be sold at a loss or at a profit so small that the margin of safety is infinitesimal. On the other hand, they are confronted with the necessity of protecting the large loans already made, and this, after all, may be the deciding factor as to whether or not further loans will be made.

Better Price Necessary

The problem of the bankers would be greatly simplified if the manufacturers are successful in securing a higher price for newsprint. Given an additional $5 a ton for their product, the operators could carry on on a profitable basis. As the situation is now, it is nip and tuck as to whether or not income is sufficient to cover expenditures.

Though the banks have not taken any public stand on the question of policies for the newsprint industry, such as they did when the now-defunct Beatty Committee was in existence, they are nevertheless interested in seeing that the newsprint companies secure a better price for their product.

Negotiations now going on with a view to making a readjustment of tonnage so that the Canadian manufacturers can present a united front in their demand for a higher newsprint price will, if successful, facilitate the supply of whatever banking assistance is needed. If the producers are unable to agree among themselves as to a common course of action, it will be more difficult to receive loans.

Use Position as Argument

Undoubtedly one of the arguments that will be advanced by the publishers in their move to secure an upward revision of the price schedule, is the possibility that unless paper can be sold profitably the banks will restrict advances for woods operations. This might possibly entail a shortage of pulpwood for 1935, which would put those companies with adequate wood supplies in a position to dictate prices. Should this occur the price of newsprint might be increased more than $5 a ton, the advance which is now being proposed.

Shortage is Possible

This argument is not as far-fetched as it might seem. A recent survey of the available pulpwood disclosed a supply considerably smaller than has prevailed for many years in the past. In addition, with production steadily increasing and nearing the peak level of 1929, the wood is being consumed at a much faster rate than at any time in the past two years, so that the supply is likely to be very lean by the spring of 1935.

Whether or not price negotiations are successful, the banks and trust companies with loans to the operators will continue keenly interested in the fortunes of the pulp and paper industry. The repayment of the advances already made has been fairly satisfactory in view of prevailing conditions. With an improvement in earning power these repayments would be facilitated and the manufacturers once again placed in good financial standing.

North American Newsprint Situation In Condensed Form

PRODUCTION

	1933 Tons	1932 Tons	Increase + or Decrease — Tons	%	Jan.-Aug., 1934 Tons	Jan.-Aug., 1933 Tons
Canada	2,017,004	1,914,316	+ 102,688	+ 5.4	1,687,686	1,267,308
United States	946,374	1,008,588	— 62,214	— 6.2	648,818	620,333
United States and Canada	2,963,378	2,922,904	+ 40,474	+ 1.4	2,336,504	1,887,641
Newfoundland	270,834	271,804	— 970	— 0.4	211,844	168,533
Mexico	16,367	12,683	+ 3,684	+ 29.0	13,001	10,849
Total North American	3,250,579	3,207,391	+ 43,188	+ 1.3	2,561,349	2,067,023

UNITED STATES IMPORTS

	1933 Tons	1932 Tons	Increase + or Decrease — Tons	%	Jan.-July, 1934 Tons	Jan.-July, 1933 Tons
Canada	1,545,292	1,533,314	+ 11,978	+ 0.8	1,122,665	820,032
Overseas	153,203	143,671	+ 9,532	+ 6.6	81,502	84,534
Newfoundland	94,946	112,842	— 17,896	— 15.9	55,762	38,669

CONSUMPTION

(Of 434 leading newspapers as reported to A. N. P. A.)

1933 Tons	1932 Tons	Decrease — Tons	%	Jan. to June, 1934 Tons	Jan. to June, 1933 Tons
2,146,279	2,254,878	— 108,599	— 4.8	959,712	790,839

EXPORTS

	1933 Tons	1932 Tons	Increase + Tons	%	Jan.-July, 1934 Tons	Jan.-July, 1933 Tons
United States	11,173	8,465	+ 2,708	+ 32.0	3,363	*770
Canada to Overseas	318,426	256,472	+ 61,954	+ 24.2	237,988	166,008

(* First two months only)

ADVERTISING

(52 major cities)

1933 Agate Lines	1932 Agate Lines	Loss — Agate Lines	%	Jan. to July, 1934 Agate Lines	Jan. to July, 1933 Agate Lines
1,065,514,601	1,164,769,819	99,255,218	—8.5	673,333,000	584,049,000

Newsprint Production Takes New Lease of Life As U. S. Demand Quickens

Mill Operating Ratio Now at 70 Per Cent of Capacity as Against Less Than 50 Per Cent a Year Ago

Anticipated improvement in demand for newsprint paper has not only been realized, but the gain has been well in excess of what had been expected by the more optimistic. Last month Canadian mills had an operating ratio of better than 70 per cent of capacity compared with slightly better than 47 per cent for August, 1933. The advance does not only apply to the past month, for since the beginning of the year machines have been working at better than 65 per cent of rated capacity, as against 52.5 for the whole of last year.

The change in newsprint operations took place after the middle of 1933. Up to that time there had been no signs on the horizon to show that there would be any marked change in the demand for newsprint, other than seasonal in the remaining months of the year. When production advanced on a scale greater than was anticipated, it was felt that many of the United States publishers were stocking up with supplies in anticipation of a possible increase before the end of the year or early in 1934.

This view was substantiated largely by the fact that the figures on apparent consumption of newsprint paper in the United States and Canada did not follow the trend of production and shipments. As matters turned out, the statistics were not in error, as there was a lag between the two indices — a lag which was not taken up until near the end of the year.

Conditions More Favorable

Since the beginning of the current year conditions have been favorable for an increased consumption. Consequently Canadian mills, more so than the American plants, have been appreciably more active than for a long time past. Each month has witnessed an increasing volume of production in comparison with last year and at times output was within reach of the record for all times.

Just how the monthly ton production this year has stacked up with the record is shown in the following table. It should be noted that the "record" months do not apply to one year, but are the record months in the history of the Canadian industry:

	1934	Record months prior to 1934
January	188,400	207,000
February	174,400	189,800
March	210,100	218,100
April	216,500	228,000
May	242,500	245,600
June	229,600	225,100
July	208,200	229,000
August	216,200	225,900

Cumulative Total Higher

For the first eight months of this year Canadian mills manufactured 1,687,686 tons of newsprint paper. This compares with 1,267,308 tons for the corresponding period of last year, a gain of 420,378 tons or roughly 35 per cent.

Output of the United States mills for the first eight months this year totals 648,818 tons compared with 620,333 tons in 1933. Newfoundland plants have been more active, turning out 211,844 tons in the eight months period, as against 168,583 tons last year. Even Mexico with its one plant produced 13,001 tons, or 3,000 tons more than in 1933.

For the North American Continent, newsprint production from January to August, 1934, amounted to 2,561,349 tons. This compares with 2,067,023 tons for the same period in the preceding year.

Look for Increase

As far as Canada is concerned, prospects are that production for the whole year will be in excess of that for 1928, possibly below the 1930 figure and third largest in the history of the industry.

The following table will be of interest as showing the annual trend of output in tons of the Canadian and American mills in the past ten years:

	United States	Canada
1924	1,481,400	1,350,000
1925	1,530,300	1,522,200
1926	1,684,200	1,881,700
1927	1,485,500	2,086,900
1928	1,417,600	2,381,100
1929	1,392,300	2,728,800
1930	1,281,500	2,500,000
1931	1,157,400	2,221,500
1932	1,006,600	1,907,600
1933	946,300	2,017,000

Operations in the Canadian newsprint mills are necessarily dependent upon the demand from American publishers. While there has been a growing use of newsprint paper within the Dominion and an improvement in demand from "overseas" countries, the industry could hardly exist without the United States market.

From the time the United States Government removed the tariff on newsprint imports, more than 20 years ago, the development of the Canadian industry has been primarily for the purpose of meeting the demands of the American publishers. Their own domestic supply has long since been proven inadequate, so that today well over one-half of the newsprint consumed in the States is made in Canadian mills.

Approximately 80 per cent of all the newsprint produced in this country finds its outlet in the neighboring republic. In several instances the American publishers have large financial stakes in Canadian newsprint companies, while a goodly proportion of the capital of others comes from across the line. Accordingly there is a very close link between the two countries on matters of newsprint.

The volume of advertising, circula-

(Continued on page 14)

Paper Industry's Financial Ills Many

Five of the major Canadian newsprint operators are in bankruptcy or being operated by a bondholders' protective committee, while one has passed through a reorganization. The companies in bankruptcy at the moment include Minnesota and Ontario, Great Lakes Paper, Abitibi Power and Paper, Price Bros. and Co., while Lake St. John Power and Paper is being run by the bondholders. Consolidated Paper, formerly Canada Power and Paper, is the only one to have completed its reorganization.

The five companies in financial difficulties at the moment collectively control 4,388 tons of a total daily rated capacity of 12,500 tons in Canadian newsprint machine installations. The book value of their assets as last reported runs well over $150,000,000, on which there has been no capital return for a year or more.

Seek Better Price To Offset Increase In Production Costs

Increased Sales Have Lowered Per Ton Costs, But Larger Outlay for Labor, Pulpwood, Materials, Etc., Offsetting Factor

STRIVE FOR COLLECTIVE ACTION

More Equitable Distribution of Tonnage Sought in Order to Bring Operators Together in United Effort to Secure Upward Revision of Price Schedule for 1935

Continued increase in the volume of newsprint business over the next twelve months will prove embarrassing to the manufacturers in the event of their failure to secure a better price by the end of the year. Every effort is being made by the principal Canadian and American producers to secure an upward revision of the price schedule, but many difficulties have to be ironed out before their objective is reached.

For several years the price of newsprint has been on a downward scale. Until 1928, however, competition and prices had been kept in check and it was possible to conduct profitable operations. With the advent of over-installation of Canadian newsprint machines, there developed a series of price-cuts which on more than one occasion threatened to culminate in an open price war. Through the intercession of various bodies and the financial inability of the individual manufacturers to withstand open warfare, affairs were held in check though on many occasions the "control" was far from being secure.

Change In Policies

About this time last year the official price of $40 a ton New York and Chicago delivery was in force, but observed by very few of the producers. It is common knowledge that many of the companies made contracts for the delivery of paper under that price. Events were shaping themselves for the complete breakdown of the market when two developments occurred which were to give the industry a greater measure of stabilization.

First of the developments was the implementation of the N.R.A. code for the newsprint industry in the United States. This code, among other things, made provision for the adoption of retaliatory measures against foreign manufacturers who sold their paper in the States on a basis which would endanger the workability of the code. While it may ever remain a moot question as to what penalties might have been imposed on Canadian producers shipping to the United States in contravention to the terms of the code, the threat was sufficient to hasten the Canadian manufacturers into forming an association designed to "co-operate" with the U.S. newsprint code authority. This organization took on the name of the Newsprint Export Manufacturers Association of Canada, more generally known by its abbreviated name of "Nemac."

Support For Nemac

Practically all the producers in this country are members of the association, which, despite the handicap of a cumbersome name, has contributed to keeping a check on "jungle competition." It is a voluntary organization and as such its powers are limited. But the growing and almost desperate desire for a return of more normal conditions within the industry has done more to keep the member companies in line than any particular desire to live up to the conditions set forth in the N.R.A. code.

Help Out "Short" Operators

The second development had more to do with stabilizing conditions than the formation of Nemac though the one is the outcome of the other. This was the creation of a newsprint tonnage pool under the sponsorship of A. R. Graustein, of International Paper, for the purpose of satisfying the demands of producers "short" of tonnage. Those companies operating at a fraction of their rated capacity could not be expected to subscribe to any agreement which primarily benefitted those already in receipt of a good volume of business, when their own plants were operating on a short time basis. In order to gain the support and co-operation of the "short" group, a pool was set up and the tonnage distributed to them on the basis of their capacity and available business. In this way the "short" operators were satisfied to let conditions run along for the time being, or until such time as new developments impelled them to change their attitude.

These two developments have given the Canadian newsprint industry an outward degree of stabilization which is at variance with conditions within the industry.

The above background is necessary in order to understand the more important problems facing the industry at this time and primarily the difficulty in securing a better price for newsprint.

Production Costs Up

Over the past twelve months the cost of producing a ton of paper in Canadian mills has increased by nearly $3 a ton. The experience of the American manufacturers is on a parallel. Both branches of the industry want an increased price for their newsprint, but to date their efforts have met with opposition from the publishers. Several good reasons can and have been advanced in favor of a higher price, but for reasons to be outlined later, there is not the unanimity of opinion

Several causes combine to move the Canadian manufacturers to seek a better price for newsprint paper. With one or two exceptions similar arguments are used by American manufacturers in their agitation for an upward revision of the price schedule.

Labor Costs Higher

Wages and labor costs have advanced all along the line in the past year, mainly because of the obligations assumed in the United States when the producers in that country adopted the newsprint code. At the same time the provincial governments in Canada have brought pressure forcing an increase in wages to the worker in the woods, while the unions have been successful in securing better wages for mill hands in the Canadian plants. Consequently it is estimated that the additional outlay on wages has added at least $1 a ton to the cost of manufacturing newsprint.

Pay More For Wood

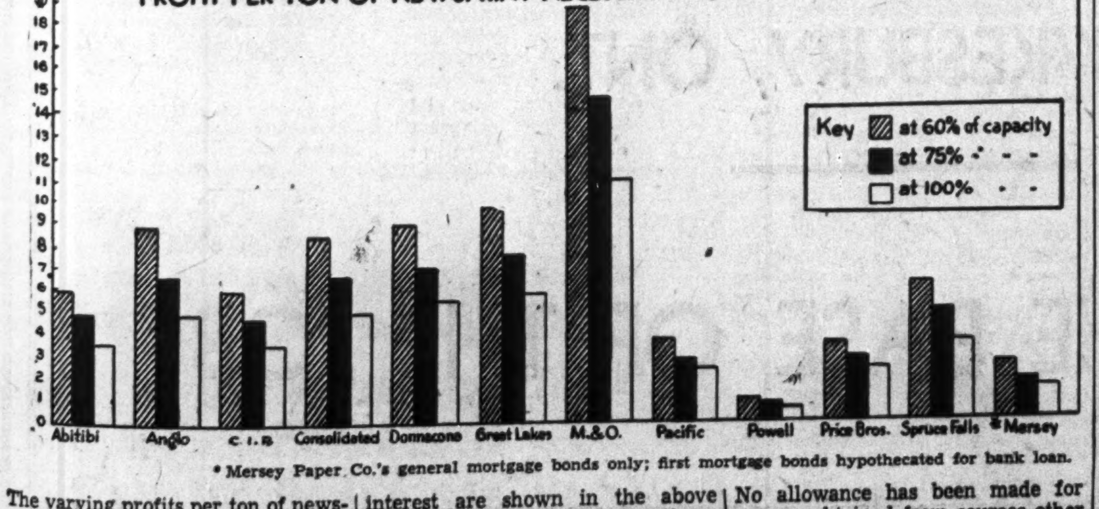
Had it not been for low wood costs many of the Canadian producers could not have carried on in the past two years. While "eating out of the woodpile" has been effective in keeping down costs to a minimum, it was only postponing the day when wood costs would rebound to their real level. Many operators have greatly depleted their wood pile and will be forced to go into the woods this winter, or buy from independent producers of pulpwood, in order to carry on their operations next year.

These two items alone add at least seven per cent to the cost of manufacturing for 1934-35. In addition the value of other materials, such as chemicals, etc., has increased, so that it is reasonable to assume that the total added cost of manufacture over the next twelve months period will not be far short of $3 a ton.

Lose On Exchange

The producers in this country have another "loss" to consider, namely, the loss entailed in converting American dollars into Canadian dollars. This is an important item, especially when it is considered that on the average the Canadian producer markets about three quarters of his output in the States. When the U. S. dollar was selling at a premium, Canadian manufacturers benefitted to the extent of as much as $8 a ton, and in 1933 averaged about $3 a ton. For the current year there has been a loss of from 50

(Continued on page 14)



* Mersey Paper Co.'s general mortgage bonds only; first mortgage bonds hypothecated for bank loan.

The varying profits per ton of newsprint which the leading producers have to obtain in order to meet bond interest are shown in the above chart on three capacity bases, 60 per cent, 75 per cent and 100 per cent. No allowance has been made for income obtained from sources other than sale of newsprint.

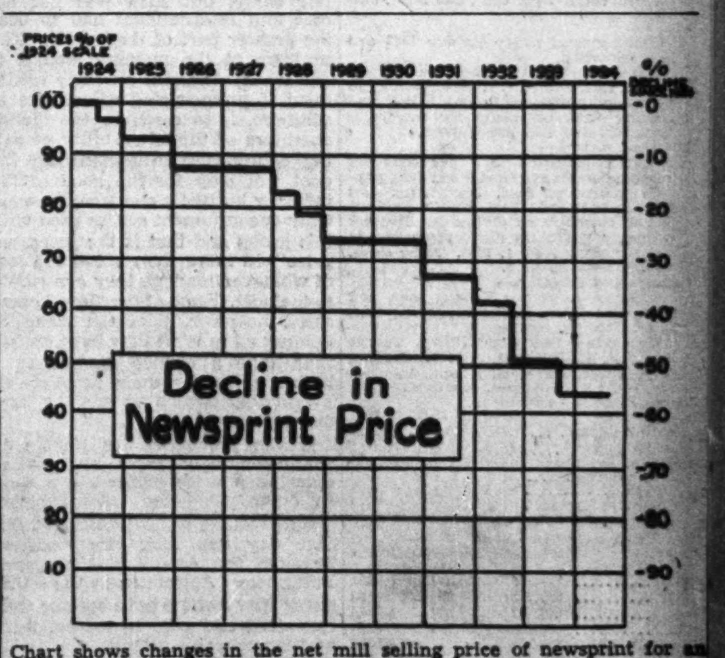


Chart shows changes in the net mill selling price of newsprint for an eleven-year period expressed as a percentage of the 1924 price and showing the percentage decline from that level.

ABITIBI POWER AND PAPER

Earnings Under Receivership Have Not Yet Become Large Enough to Make Reorganization Plans Advisable — Two Mills Are Operating

Operating under receivership since September, 1931, Abitibi Power and Paper Company has not yet received either in earnings or profits, sufficient leeway to make it advisable for the protective committees of either bondholders or preferred stock to suggest a reorganization plan. In the second report of the receiver and manager, G. T. Clarkson, for the year ended December 31, 1933, net earnings available for depreciation and bond interest were shown to be $1,036,562 after all other overhead, including maintaining idle mills and properties had been first taken out.

According to the receiver's first report, the company has two low cost plants, the plant at Iroquois Falls and that at Pine Falls, Manitoba; four efficient plants at Fort William, Sault Ste. Marie, St. Anne and Thunder Bay and two less efficient mills at Espanola and Sturgeon Falls. Three of these had been operating in the early part of 1934 but on July 6 the company's Thunder Bay mill was closed down due to lack of orders. It was then stated that market conditions would govern the future operations of the mill. At that time, no further orders were in sight. In addition to the two newsprint mills at Iroquois Falls and Sault Ste. Marie, the only other operating plant is the sulphite pulp plant at Smooth Rock Falls. Manitoba Paper Company will let contracts for 50,000 cords of pulpwood to Manitoba settlers in 1934 and as the contract will involve the distribution of half a million dollars, it is expected that sooner or later this low cost plant of the company will be opened.

Two Mills Running

The mills now running have a daily capacity of 850 tons whereas the full capacity of the mill is 2,555 tons or 800,000 tons annually of which 60,000 tons represent sulphite production. It has nine newsprint mills with less than one third operating.

The company's developed water powers aggregate 207,410 h.p. and it has undeveloped water powers estimated between 350,000 and 400,000 h.p.

Since going into receivership, Abitibi Power & Paper Company has disposed of its Murray Bay mill and as a result is released from its guarantee and the running expenses in connection with the maintenance of that mill. It still has an unpaid balance of $2,727,917 on the contract for acquiring the Thunder Bay Power Company but three years extension has been given by the vendor, Consolidated Water Power and Paper Company, for making good on this commitment.

Since going into receivership, the company has also paid $750,000 for getting full control of G. H. Mead Company which formerly placed all the paper of the Abitibi Company in the United States.

Improvement of exchange value of the Canadian dollar has led to loss by this and other Canadian companies of the premium formerly enjoyed.

Capitalization—	Authorized	Outstanding
Common ... n.p.v.	1,500,000 shs.	†1,088,117 shs.
Pref. 7% cum...	$1,000,000	$ 1,000,000
Pref. 6% cum. Par $100.	50,000,000	*34,881,800

* Including 792 shares deposited for exchange of shares of the Spanish River Pulp & Paper Mills.

† Including 1,891 shares deposited for exchange of shares of subsidiary companies.

Funded Debt—

1st Mortgage gold bonds, series "A" 5 per cent, due 1953; outstanding $48,267,000.

Interest payment deferred June 1, 1932; default in effect Aug. 1, 1932.

Dividend Record—

7 per cent preferred. Initial dividend paid Jan., 1917; paid regularly to and including Oct., 1931; none since.

6 per cent preferred. Initial dividend paid Apr., 1928; paid regularly to and including Apr., 1931; none since.

Common—None paid since Oct., 1928.

Officers and Directors—

Officers—George H. Mead, chairman of board; Alexander Smith, pres.; W. A. Black, vice-pres.; L. R. Wilson, vice-pres. and man. dir.; W. H. Smith, asst. man. dir.; J. E. Patterson, mgr. of operations; T. Broadhurst, sec.; Howard Young, treas.; L. B. Popham, asst. sec.; D. J. Cormack, asst. treas.

Directors—Alexander Smith, Chicago, Ill.; Sir Thomas Tait, A. J. Brown, W. A. Black, Montreal; George H. Mead, Dayton, Ohio; George E. Challes, T. H. Watson, L. R. Wilson, W. H. Smith, S. F. Duncan, Toronto; W. H. Carter, Winnipeg.

RESULTS FROM OPERATIONS
Sept. 10, 1932 to Dec. 31, 1933

Income:	$
Sales of newsprint and pulp	10,189,193
Sales of power	657,984
Less: Oper. cost incl. admin., superintendence & gen. exp.	9,205,048
Add: U.S. exch. received	649,588
Int. & disc. earned, incl. int. on advs. to Thunder Bay Paper Co.	73,145
	2,364,862
Less: Int. on receiver's certif. & overdraft	84,389
Sundry minor oper. losses	474
Cost of issue of first report	3,211
Prop. of Beatty Comm. exps.	30,249
Int. on contract for purchase of Thunder Bay Paper shs.	215,754
Costs of carrying idle mills & timber concessions:	
Mill idle costs	589,401
Taxes, mill & townsites	106,483
Timber concessions	125,776
Int. charges, etc.	61,128
Legal, audit & acc. exps.	48,110
Receiver's remun. & exps.	63,325
Bal. available for deprec. of mills & properties & toward bond interest	1,036,562

Market Record—

	*1934 H	*1934 L	1933 H	1933 L	1932 H	1932 L
Com.	2½	¾	4	⅛	3¼	¼
Pref. 6%	10½	4	10	1	10	1

* To September 19.

B. C. PULP

Bondholders Make Concessions to Conserve Working Capital

An improvement in the market enabled B.C. Pulp and Paper Co. to report in 1933 a profit of $404,072 on operations before interest on bonds and provision for depreciation, as compared with a loss for 1932 totalling $76,206 on the same basis.

This betterment in conditions in 1933 made it possible for the company to catch up with interest payments on the 6 per cent first mortgage bonds, payment on which had been postponed last May until such time as the company earned sufficient to cover the amount due.

Pulp prices are better and demand is sufficiently active to keep both the company's mills at Port Alice and Woodfibre, operating at capacity. The company is developing trade in the Far East and orders from that market have been of a substantial size.

Conserve Working Capital

In the early part of last year, the outlook for the company was such that there appeared need of special action to conserve the working capital. Sinking fund on the first mortgage and general mortgage bonds was waived for the time being, while the interest coupons on the first mortgage bonds payable in 1933 and 1934 were replaced by coupons payable on due notice when cash became available from operations. Since that time improved conditions have made it possible for the company to meet payment on the scrip.

Last May the general mortgage bondholders voted to amend the postponement of interest effected by the holders on May 16, 1932, and to provide that all the semi-annual installmets of interest falling due between May 1, 1932, and November 1, 1934, would be payable, with interest at the rate of 7 per cent per annum, on May 1, 1936. At the same time the general mortgage bondholders cancelled the payment to the sinking fund falling due between 1935 and 1937.

Capitalization—	Authorized	Outstanding
Common .... No par value.	150,000 shs.	100,000 shs.
Preferred 7% ... Par $100.	$1,000,000	$556,200

Funded Debt—

1st mtge. S. F. gold bonds, 6 per cent, due 1950*, outstanding $3,321,000.

General mtge. 7 per cent, due 1950†, outstanding $1,445,400.

*Sinking fund payments due 1933 and 1934 cancelled.

†Interest payments falling due between May 1, 1932, and Nov. 1, 1934 (both dates inclusive), postponed to May 1, 1936, and sinking fund payments for the years 1935, 1936 and 1937 are waived.

Dividend Record—

Preferred—Entitled to 7 per cent per annum, cumulative from Nov., 1925, payable quarterly, Feb., May, Aug. and Nov. 1; $8.75 paid Feb., 1927, representing all accumulated dividends. Regular quarterly payments made thereafter to and including Aug. 1, 1931. None since.

Common—None paid.

Officers and Directors—

Officers—Lawrence Killam, pres. and man. dir.; O. A. Jorgenson, treas.; Miss E. M. Dominy, sec.

Directors — Lawrence Killam, George Kidd; R. C. Buchanan, W. H. Malkin, O. A. Jorgenson, Cecil Killam, Vancouver, B.C.; I. W. Killam, Montreal.

Times Interest Earned—

	1933	1932	1931
Before deprec.	1.28	nil	1.17
After deprec.	0.17	nil	0.53

Earnings per Share and Dividend Record:

	1933	1932	1931
Pref.: Earned	nil	nil	nil
Paid	nil	nil	$5.25
Common: Earned	nil	nil	nil
None paid.			

Six Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	723,335	38,934	54,401
1929	599,776	38,934	56,158
1930	671,903	38,934	58,440
1931	363,448	29,200	*142,348
1932	*76,206	......	*522,202
1933	404,072	......	*782,918

*Loss or deficit.

ANGLO-CANADIAN

Rothermere Enterprise Keeps Plant Operating at High Level

Anglo-Canadian Pulp and Paper Mills, operators of a newsprint mill at Quebec City, and controlled by the Rothermere interests, has experienced an above-average volume of business over the past twelve months. No particulars are available as to the company's earnings, but it is presumed that in view of the low price for newsprint, the returns have not been particularly satisfactory.

Interests closely identified with this concern were members of a syndicate which endeavored to secure control of Price Bros. and Co. Such a move was not successful up to the time of writing.

Secure Timber Supply

Anglo-Canadian's primary interest in Price Bros. property was the possibility of securing additional and more adequate supplies of timber. When the deal fell through, arrangements were made with the Brown Corp., Canadian subsidiary of the Brown Co., of New Hampshire. This arrangement gave to the Anglo-Newfoundland Development Co. certain rights to cut timber on the St. Lawrence River in Quebec for the sum of $750,000. Brown Corp. also entered into a contract with Anglo-Canadian Pulp and Paper Mills, whereby that company acquired rights to cut timber on other properties owned by the Brown Corp.

Last year Brown Corp. sold an undeveloped water power site on the Upper St. Maurice River to the St. Maurice Power Corp. The latter concern is jointly controlled by Shawinigan Water and Power and the Brown Corp. As a consideration of the deal, Brown Corp. received a large cash payment, together with a block of stock in the holding company.

Anglo-Canadian's operations are mainly connected with the manufacture of newsprint. The company's plant, near Quebec City, has a daily capacity of 500 tons. Operations over the past year were conducted approximately at capacity, the newsprint being sold to the Rothermere papers and to the Hearst newspapers in the United States.

Capitalization—	Authorized	Outstanding
Common .... N.p.v.	135,000 shs.	135,000 shs.
1st Preferred .... Par $100.	$8,000,000	$8,000,000

Funded Debt—

5 per cent debentures, outstanding £3,230,000, issued to the Daily Mirror Newspapers Ltd. (of London, Eng.) for £3,180,000 cash. These debentures were authorized to redeem the issue of 6½ per cent debentures due July 1, 1933.

Dividend Record—

1st Preferred—Entitled to 7 per cent cumulative, payable April and Oct. 1. Initial dividend for six months paid Oct. 1, 1930; none since.

Common—None paid.

Officers and Directors—

Officers—Viscount Rothermere, pres.; F. W. Clarke, vice-pres.; G. H. Bridge, sec.-treas.

Directors—Viscount Rothermere, London, Eng.; F. W. Clarke, R. A. McInnis, Quebec, P.Q.; Sir Herbert S. Holt, Montreal; Sir Charles Fitzpatrick, Quebec, P.Q.; Hon. Smeaton White, Montreal; John Cowley, London, Eng.; F. J. Humphrey, New York; R. C. McMichael, Montreal; E .A. Sursham, Hon. Esmond Harmsworth, London, Eng.; W. J. Clark, Quebec, P.Q.; F. G. Bush, W. P. Creagh, Montreal.

SEEK BETTER PRICE TO OFFSET INCREASE IN PRODUCTION COSTS

(Continued from page 13)

cents to a dollar a ton in converting the U. S. currency.

While the exchange situation can be listed as another reason for the Canadian manufacturer wanting a higher price, it can hardly be used as an argument with the American publisher who, by the terms of his contract, was not able to take advantage of the premium when purchasing his newsprint requirements.

Both the Canadian and American manufacturers of newsprint have sound reasons to justify higher prices. Not only can they advance the reasons already outlined, but they can prove that $40 newsprint does not permit of profitable operations.

Two stumbling blocks are in the way of a successful culmination of present price raising efforts. One is the producer and the other the consumer. It may seem out of place to list as a stumbling block the producer who is most anxious to get a better price for his product. The opposition, however, comes from the small group who are "short" of tonnage. With an excess of productive facilities, it is apparent that the majority cannot advance prices if the "shorts" are only too willing to keep on supplying paper at the old price in order to build up their volume of business.

One of the first problems to be overcome by the majority group is placating the "shorts" and securing their co-operation in a united effort to advance prices. This can be done by supplying them with tonnage at the expense of those who are "long." Given a greater volume of business, it is felt that the "short" companies would play along with the majority in seeking a higher price, as it would naturally react to their benefit. As long as they are "short" of tonnage, however, the minority group naturally feel they are holding an umbrella over the rest of the industry and this they are not inclined to do as umbrella-holding has been an expensive policy in the past.

Must Have Co-operation

When the pooling arrangement was made last fall, International Paper underwrote the tonnage. It was hoped that the other "long" companies would contribute their fair share, but such was not the case and International had to bear the greater part of the burden. The problem at the moment, and it is one which demands an early settlement if price-raising efforts are to continue, is to convince the "long" operators of the advisability of acting collectively in making up the pool, not only for the good of the industry but their own good as well. Only one argument can be used with this group and that is the increased price will more than offset the loss of whatever tonnage they contribute to the pool. Some of the "long" operators, however, take the stand of holding on to what they have, rather than take a chance on getting a higher price for their product—an eventuality which is not by any means assured.

If the producers are unable to act collectively their chances of securing a price increase are slim. In other years the manufacturers dictated prices to the publishers, but that day has long since passed. Through the American Newspaper Publishers Association, the U.S. newspaper owners have become well organized and able to protect their position on price policies.

It is to their credit that they have not adopted a "dog-in-the-manger" policy on newsprint prices. As a group they recognize the desirability of a reasonable price level which will be adhered to by both the manufacturer and the consumer. There has been little possibility of that over the past three years. Many isolated cases exist, of course, where the publisher is determined to prevent an adjustment of prices, but the majority hold the view that an equitable price is more desirable than having an upset market which might eventually bring control of market into the hands of a few who would dictate price policies. They recognize further that a higher price is not without justification, and on being assured that the proposed increase would be of nominal proportions and that it would strengthen relations between the producer and consumer, there is reason for believing they would not be adverse to paying a higher price at the beginning of next year. There are many misunderstandings to be cleared away, however, but through the exercise of common sense there is no reason why the publishers and manufacturers should not agree on a price fair to both parties.

WIDER INVESTMENT INTEREST DISPLAYED IN PAPER SECURITIES

(Continued from page 13)

pleted working capital. The majority have been depending on the banks to finance their operations in the last four years. With a return to profitable operations, however, it is to be expected that the managements will give first consideration to rebuilding their depleted reserves.

It is impossible to say at this point how long it will take the newsprint manufacturers to recover their position provided that expected developments are favorable. The ravages of the past five years cannot be repaired overnight. Yet it is not wise to take too gloomy a view on the length of time necessary for recovery, as the industry has shown remarkable recuperative powers on more than one occasion.

With the foundation rebuilding completed, or possibly some time before, steps will be taken to carry out the reorganization of those companies which have fallen by the wayside. At this time Abitibi Power and Paper, Great Lakes Paper, Lake St. John Power and Paper, Minnesota and Ontario Paper and Price Bros. and Co. are confronted with the necessity of a reorganization, both corporate and financially. A considerable paring down of the capital structure is expected in each case.

In considering the manufacturing companies in which there is a public investment interest, direct or indirect, only three have no funded debt charges to meet. They are: Bathurst Power and Paper, James Maclaren Co. and St. Lawrence Flour Mills.

Debt Charges Per Ton

The balance of the public companies have funded debt of varying size. While it is obvious that earning power of the different companies varies and that some will be in a position to meet their bond interest charges more readily than others, it is illuminating to examine the funded debt charges per ton of rated newsprint capacity of the major operators.

Operating at 60 per cent of capacity, for example, Abitibi would have to show a profit of $5.95 a ton in order to pay interest. This figure would be reduced to $4.77 a ton at 75 per cent and $3.57 a ton at capacity.

Canadian International Paper interest charges range from $5.96 a ton at 60 per cent. of capacity to $3.57 a ton at 100 per cent.

Consolidated Paper interest charges per ton are relatively heavy, ranging from $8.27 at 60 per cent to $4.95 a ton at full capacity.

Donnacona Paper Co.'s charges are somewhat higher, the range being from $8.74 to $5.25.

Great Lakes Paper Co. faces an interest charge of $9.52 at 60 per cent of capacity and $5.71 at 100 per cent capacity.

Lake St. John Power and Paper's per ton newsprint charges are heavy, being $9.90 at 60 per cent and $6.34 at capacity.

Price Bros. and Co., funded debt is relatively low, interest charges per ton of newsprint at 60 per cent. of capacity being only $3.63 and $2.17 at full rated capacity.

Other Sources of Revenue

The foregoing calculations do not take into consideration revenue which the company might receive from other sources. In the case of Price Bros & Co., for example, lumber operations normally provide the company with a substantial income.

Canadian International Paper benefits from its sulphite pulp production, demand and price for which have been on a very favorable basis in the past year.

Consolidated Paper also produced kraft paper and has a small surplus of pulp to sell, both of which are revenue producers.

Room For Improvement

Bearing in mind these figures in conjunction with the fact that the average return per ton of newsprint at the mill under present schedules is in the neighborhood of $33 a ton and production costs range from $25 to better than $30 a ton, it is apparent there exists a great deal of room for improvement.

Given $45 newsprint (this price including delivery charges) and operations at 70 per cent. or better of capacity during 1934, the newsprint manufacturers should be able to effect substantial improvements in their financial position. They will not be out of the woods, but the progress made will go a long way toward preparing the ground for a resumption of return on capital to the many thousands of investors in this country and the United States who have patiently held on to their holdings in the hope of better days.

NEWSPRINT PRODUCTION TAKES NEW LEASE OF LIFE AS U.S. DEMAND QUICKENS

(Continued from page 13)

tion, etc., of American newspapers plays an important part in determining the operating ratio of the Canadian newsprint industry. Presidential elections, international yacht races, bank holidays, etc., cause the demand for newsprint paper to move up or down and definitely influence the production of mills in this country.

Trend More Favorable

One of the best indices of the trend of consumption of newsprint by American publishers is that prepared by the American Newspaper Publishers Association and covering the returns of 454 publishers. This report shows that the peak of consumption was reached in 1929, when the monthly average consumption was 190,244 tons. Since then there has been a steady decline, the average monthly return for 1933 being only 136,744 tons or on a par with that reported in 1924. The current year holds promise of an average monthly consumption equalling the average of 1927 to 1930.

Following is a record of the trend of the average monthly consumption by the 454 American publishers, in tons, between 1924 and 1934:

Consumption by Publishers
Monthly Average in Tons

Year	Tons	Year	Tons
1924	136,829	1929	190,244
1925	148,897	1930	176,501
1926	166,780	1931	164,142
1927	172,996	1932	141,324
1928	177,241	1933	136,744
1934 (Half-year)	159,962		

Advertising Linage Grows

One of the most important factors in the consumption of newsprint is the volume of advertising. There is a definite relationship between the size of a newspaper and its advertising linage. An increase in the latter is reflected in the number of pages to the issue, so that close attention is paid by the publisher and the newsprint manufacturer to this indice.

The manner in which advertising has dropped off in the United States since 1928 closely reflects the drop in publishers' consumption of newsprint. The trend is shown in the following table compiled by Media Records Inc. and covering returns of newspapers published in 52 metropolitan cities of the United States:

Monthly Average in Thousand Lines

Year	Lines
1928	150,207
1929	158,101
1930	137,854
1931	122,072
1932	91,231
1933	88,793

Since the beginning of the current year the trend of advertising linage has been definitely encouraging, each month showing increases over the corresponding period of 1933 as set forth in the following table of linage:

	1934	1933
January	82,454,643	77,956,895
February	80,787,702	72,538,858
March	103,648,150	76,363,806
April	107,490,670	91,053,494
May	112,122,217	94,648,668
June	103,645,828	93,167,974
July	83,183,488	78,319,115
August	87,692,250	86,338,635

The drop in advertising linage in the last two months is purely seasonal—the amount of national advertising at that time being greatly restricted. Expectations are that the trend will move forward between now and the end of the year, resulting in a substantial increase in the volume of advertising for 1934 as compared with 1933.

Canadian International
Paper Company

1155 Beaver Hall Square, Montreal

NEWSPRINT PAPER

BLEACHED SULPHITE PULP FOR RAYON
AND FOR HIGH-GRADE BOOK PAPERS

NEWSPRINT MILLS:

DALHOUSIE, N. B.
GATINEAU, QUE.
THREE RIVERS, QUE.
CORNER BROOK, NFLD.

BLEACHED SULPHITE PULP MILLS:

KIPAWA, QUE.
HAWKESBURY, ONT.

"PAPER IS THE BASE OF THE JOB"

HIGH GRADE MACHINERY *for* Canada's Paper Mills

- CONTINUOUS TOOTH HERRING-BONE GEARING
- SPUR AND SINGLE HELICAL GEARING
- BEVEL GEARING
- SPEED REDUCER UNITS
- SPEED INCREASER UNITS
- FLEXIBLE COUPLINGS
- BETHLEHEM SNUB STARTERS
- MICHELL PIVOTED THRUST & JOURNAL BEARINGS
- ELECTRIC STEAM GENERATORS
- HEAT TREATING
- ROLL GRINDING

DOMINION ENGINEERING Company Limited
MONTREAL CANADA

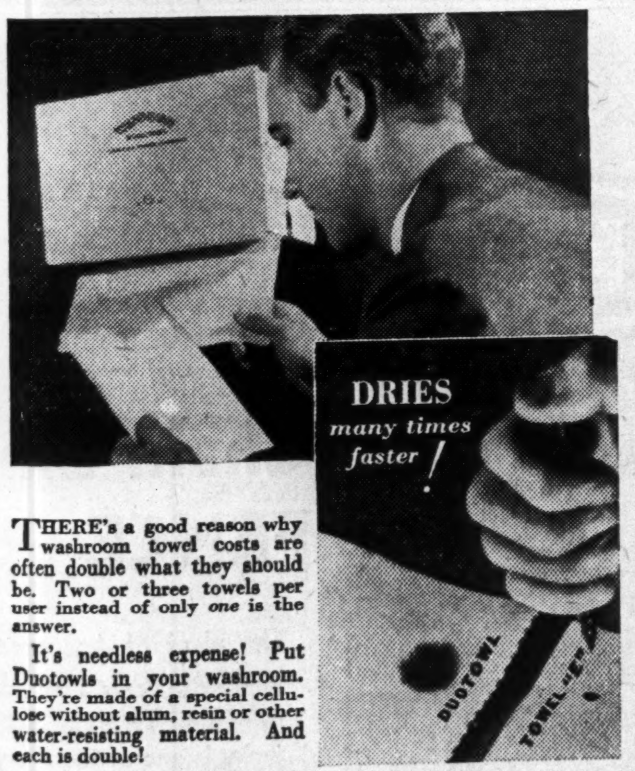
ANGLO-CANADIAN
PULP AND PAPER MILLS
LIMITED

Manufacturers of
Newsprint Paper

Offices and Mills at Quebec City
Direct connection with both Canadian Railways
Privately owned Wharf on Tidewater

CAPACITY: 500 TONS DAILY

WHY pay for TWO Towels ...*when* ONE *will do?*



THERE'S a good reason why washroom towel costs are often double what they should be. Two or three towels per user instead of only *one* is the answer.

It's needless expense! Put Duotowls in your washroom. They're made of a special cellulose without alum, resin or other water-resisting material. And each is double!

Only *one* Duotowl per user is necessary. They dry thoroughly the *first time*. They're *many times* more absorbent than ordinary paper towels.

Employees and tenants are grateful for Duotowls. They're soft, comfortable to even the tenderest skins. They dry quickly, *cleanly*.

New cabinets are now available. There are several styles in addition to the one shown above—all inexpensive.

This simple "fountain pen test" proves the greater absorbency of Duotowls. Duotowl absorbs a drop of ink in *three seconds*. Another well-known towel takes 57 *minutes!* No wonder only one Duotowl is needed per user to dry hands *thoroughly!*

Windsor DUOTOWLS *cut Washroom Waste*

MADE IN CANADA BY
CANADA PAPER COMPANY
147 McGILL STREET, MONTREAL, P.Q.

SOUTHERN PINE COMPETITION OVER-STRESSED

Results of Experiments Create Uneasiness of Future

FACING PROBLEMS

Utilization as a Base for Newsprint Seen, But Northern Industry Entrenched

Announcement that a method has been formulated for the ultilization of Southern slash pine in the manufacture of newsprint, has caused a certain amount of misgiving regarding the continued supremacy of the northern mills in this branch of industrial activity.

For many years past Southern pine has been the subject of exhaustive investigation with a view to developing a process whereby the wood could be used for the manufacture of pulp and then processed into newsprint paper. The fact that Southern pine can be grown for commercial purposes in a fraction of the time necessary to bring spruce and other coniferous woods to maturity has a strong attraction. Further the manufacture of paper can be carried out in the southern states at less cost than in the north, owing to the lower capital expenditures on plants, getting the wood to the mills, labor costs, etc.

Run Into Difficulties

Several investigations have been carried out, involving an outlay running into several hundred thousand dollars, but various difficulties have been run into making the use of Southern pine rather impracticable for commercial purposes. The core of the tree carries a large percentage of pitch, the eradication or reduction of which has been one of the major problems. It is now claimed that by using young trees this problem is eliminated.

Georgia Takes Lead

The principal research work in connection with the use of Southern pine has been carried out in Georgia under the direction of Dr. Charles M. Merty. An experimental mill established at Savannah has been turning out newsprint in limited quantities, but the mill had not been given a thorough test in a commercial way until toward the end of last year.

Large Scale Experiment

Nine Georgia papers made arrangements to transport several carloads of southern pine pulp—25 per cent sulphite and the balance groundwood — to a Thorold, Ont., plant where it is reported as having run through the newsprint machine under normal conditions of manufacture.

Has Some Disadvantages

An expert, who witnessed this run of trial pulp and made an examination of the newsprint manufactured, states that the pulp lacked the fineness of fibre which could be produced from Canadian spruce and that the difference in smoothness and uniformity of the pulp was quite apparent in hand sheets.

The Southern pine pulp is declared to be softer and has poorer felting properties than good spruce pulp prepared for newsprint. It could be pulped, however, and further research will likely develop the best method of cooking it to produce any quality desired.

Quality is Inferior

The opinion is held that the newsprint produced from Southern pine is not equal in quality to that made from spruce and balsam wood.

It is pointed out that the manufacture of newsprint from such pulp has necessitated the addition of sulphite in quantities which detract seriously from the qualities of the paper, including its reception to ink, etc. The ideal newsprint, it is maintained, would be made from groundwood alone if this were possible. The percentage of sulphite mentioned is said to be greater than that contained in the pulp from which Canadian newsprint is made.

In the light of established scientific accomplishment, producers do not deny the possibility of newsprint manufacture becoming economically feasible with Southern pine pulp as a base.

Printing Test Favorable

Following the trial run at Thorold, the Southern pine newsprint was shipped back to Georgia where is was used in the regular runs of several of the larger dailies who sponsored the experiment. The reports are to the effect that the paper took the ink well and the breaks in the paper during the press run were no greater than when using the regular supply.

Seek to Establish Mill

Southern publishers have taken a great deal of interest in the possibility of establishing a supply of newsprint near at home. A movement has been initiated by the Southern Newspaper Publishers Association to raise sufficient money to permit construction of a commercial newsprint mill to use Southern pine pulp. The Federal Government has been asked to aid in the project, but as far as can be learned, the necessary capital has not been raised.

Those pulp and paper operators who have had actual experience with Southern pine in commercial operations are not at all convinced that Southern pine can be used for newsprint manufacture, at least in the light of present knowledge. While investigations on an experimental stage have been encouraging, they believe that in commercial work the results will be somewhat different.

Uncertainty is Shown

This belief is held by many and the fact that delay has been experienced in raising capital for the proposed mill may be taken as a reflection of this feeling of uncertainty as to what might develop when the pulp is used in a commercial way.

For the immediate future, northern mills using spruce or balsam are not likely to be worried about the developments of Southern pine in the manufacture of newsprint. There is no denying that some development may take place, or discovery made, which will make it possible to use Southern pine.

CONSOLIDATED PAPER

Improvement in Volume of Business Noted in Past Year — Earnings Still Small and Bank Loans Heavy — Further Adjustments Possible

Consolidated Paper Corp. has recorded improvement in its operations this year, though the volume of business available does not permit of anything in the way of substantial earnings. The trend in newsprint consumption, however, is more encouraging than it has been for some time past. The low selling price is a drawback, but there is hope that the manufacturers will be able to secure a better return by the end of the year.

With an improvement in prices and a continued up-trend in consumption, the outlook for Consolidated Paper, as well as the other manufacturers, warrants the hope that the operators will again be on their feet before long In so far as Consolidated Paper Co. is concerned, it has no direct funded debt charges to meet until 1936. If improvement already mentioned continues, the company stands a fair chance of being in a position to meet its funded debt charges by that time.

Not Out of Woods

There are a great many, however, who hold to the belief that another reorganization is necessary before Consolidated Paper can be placed on a sound financial footing Under its present capital set-up, Consolidated Paper has a funded debt of over $52,500,000. In addition the company had current loans of practically $14,000,000 at the end of last March.

Interest on the main body of the funded debt, or $51,406,900, is payable out of income and non-cumulative up to July 2, 1936. After that time interest becomes cumulative and payable semi-annually. In the last two years the company had an operating loss, after taking care of bank interest. Unless there is a further gain in production, coupled with a better price, the company may find itself unable to meet these interest charges in 1936.

One school of thought holds to the belief that with all the favorable developments that might occur over the next two years, there is little chance of the company having reduced its bank loans to such an extent that interest payments would be permissible. This may be somewhat far-fetched, as the history of the industry over the past three or four years has shown the inadvisability of forecasting too far ahead.

Smaller Loss in 1933-34

In the fiscal year ended March 31, 1934, Consolidated Paper had a gross operating profit of $1,541,365. After taking care of bank and other interest, interest on subsidiary companies' bonds, and carrying charges on property not operated, there was an operating loss of $235,141, which was scaled down by $212,695 due to profits from sale of some of the company's investments.

Bank Loans Heavy

Earning power of the company is admittedly low, but in line with that experienced by other producers. The financial position of the company, however, is of more direct interest to bondholders and others. At the end of last March the company reported current assets of $8,287,809 and current liabilities of $15,600,830. Of the latter bank loans and trust company loans totalled, as already mentioned, approximately $14,000,000. During the year there was a reduction of approximately $1,000,000 in these charges. In order to clear off these loans by the end of 1936, it is obvious that the company's earnings will have to show a much greater increase.

Outlines Some Difficulties

At the last annual meeting of the company, L. J. Belnap, president, told the shareholders of some of the difficulties which the company had to confront. Since 1930, he said, the net sales return had dropped $22 a ton or 40 per cent. Although the corporation's volume of newsprint for the 1934 fiscal year was practically the same as for the previous fifteen months' fiscal period, the sales value decreased more than $2,000,000 or approximately $7.50 a ton. Costs have been reduced since the inception of the corporation's activities by $7.80 a ton, but owing to the cut-throat competition in Canadian mills, the net selling price declined $12.60 per ton during the same period.

Since the inception of the corporation, the loss in revenue through reduced selling price has been approximately $5,000,000.

One of the Largest

As at present constituted, Consolidated Paper has a daily rated capacity of over 1,900 tons of newsprint, together with 230 tons of chemical pulp and about 250 tons of kraft, board and wrapper paper. Mill operations, more particularly in the newsprint section, have been well below the capacity figure. During the first several months of the year, the company operated its newsprint machines at about half of their rated capacity. While this is relatively low, yet it is appreciably better than last year when mill operations were approximately 30 per cent of capacity.

Capitalization—	Authorized	Outstanding
Common ..... n.p.v.	2,000,000 sh.	1,534,725 sh.

Funded Debt—
1st mtge. gold bonds and sterling debenture stock, 5½ per cent, due 1961, outstanding $51,406,900. Balance of issued bonds pledged as collateral to special bank loans.

Subsidiaries—
Wayagamack News, 5 per cent 1st mtge. deb. stock, due 1940, outstanding $1,113,494.
Ha! Ha! Bay Land & Building, 5½ per cent serial bonds, due 1939, outstanding $98,600.

Officers and Directors—
Officers—LaMonte J. Belnap, pres.; G. M. McKee and C. R. Whitehead, assts. to the pres.; George Henderson, compt.; G. Wilfred Hodgson, sec.; D. Lloyd Adams, treas.; John W. Hodgson, asst. treas.
Directors — *LaMonte J. Belnap, Harold Crabtree, *Hon. Charles A. Dunning, *N. J. Dawes, W. H. Howard, Beaudry Leman, *Ross H. McMaster, *E. A. Macnutt, A. B. Purvis, *C. F. Sise, Julian C. Smith, F. G. Bush, Montreal, Que.; *Col. H. D. Lockhart Gordon, Toronto, Ont.; *J. J. Rudolf, New York, N.Y.; J. E. Ward.

The board of directors, comprising fifteen directors was formed, according to the plan of reorganization, by the election of nine members to represent the Protective Committee and who serve until 1936, and the balance represent shareholders. The directors representing the committee are denoted by asterisks (*).

CONS. INCOME & SURPLUS ACCOUNT

	12 mos. ended Mar. 31 1934 $	15 mos. ended Mar. 31 1933 $
Gross oper. profit* ..	1,541,365	2,448,850
Less: Bk. & other int.	691,181	790,138
Bond & debent. int. of subsid. cos. ...	62,197	90,497
Carrying chgs. on props. not oper'd	1,023,128	1,666,302
Operating loss	235,141	98,087
Add: Profit from sale of other invest. secs.	212,695	....
Loss for period†	22,446	98,087
Add: Previous deficit	98,087	....
Prior period charges	36,788	....
Less: Trans. from res. for contingencies ..	36,788	......
Deficit carried forward	120,533	98,087

* Includes income from investments, exchange and miscellaneous revenues.
† Before depreciation.

Market Record—

	*1934 H	*1934 L	1933 H	1933 L
Common	3½	1½	6⅝	1½

* To September 19.

BATHURST

Cash Position is Strong But Tonnage is Limited

Bathurst Power and Paper Co.'s finances are more satisfactory than those of the majority of newsprint operators. The company has no bank loans, while its liquid resources are sufficient to provide the company with all the working capital that is required. Earning power, on the other hand, is of limited proportions. This is due to two factors, namely, a limited amounted of business available and the smallness of productive facilities. While the company's finances are satisfactory and its assets of value, there is likely to be very little earning power back of the Class A stock until such time as a more extensive exploitation of the company's resources is undertaken by the management.

The demand for newsprint paper, while on an increasing scale, has not been reflected in Bathurst's operations, which are confined to meeting the needs of a few Maritime papers. The low-price for newsprint, combined with the high wood costs, does not place the company in a particularly satisfactory position to take on or secure additional newsprint business.

New Product Helpful

Some time ago the company converted one of its newsprint machines for the manufacture of Kraft liner board. This diversity of production has been helpful to the company but profitable operations await a general improvement in the price of pulp and paper products.

Last year Bathurst had an operating loss of $49,930. This was considerably better than in 1932 when the operating deficit totalled $158,225. After taking into consideration interest on investments and other charges, however, the net loss for the year amounted to only $15,257, or approximately $115,000 less than in 1932.

Capitalization—	Authorized	Outstanding
Class A Com. ..	750,000 shs.	400,000 shs.
Class B Com. ..	500,000 shs.	300,000 shs

No par value.

Funded Debt—
None.

Dividend Record—
Class A Common—Initial dividend of 25c. per share paid March, 1929; none since.
Class B—None paid.

Officers and Directors—
Officers—Brig.-Gen. J. B. White, pres.; George M. McKee, vice-pres.; H. J. Webb, treas.; George A. Schryer, asst. treas.; S. B. Bond, sec.; Smith Morse, compt.
Directors—Brig.-Gen. J. B. White, P. A. Thomson, H. J. Webb, J. B. Woodyatt, R. W. Steele, George M. McKee, F. J. Campbell, all of Montreal, Que.

Six Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	411,782	......	121,747
1929	281,550	100,000	103,297
1930	132,954	......	181,001
1931	*86,461	......	*40,861
1932	*158,225	......	*202,474
1933	*44,930	......	*245,933

*Loss or deficit.

Market Record—

	*1934 H	*1934 L	1933 H	1933 L	1932 H	1932 L
Class A ..	8½	3	8	1	3	1
Class B ..	3½	1	2	1	1½	½

*To September 19.

Established 1870
AYERS LIMITED
Lachute Mills, P. Q.

Leading Manufacturers of
PULP and PAPER MAKERS' FELTS
Woollen — Cotton — Asbestos
COTTON TRANSMISSION ROPE
PURE WOOL BLANKETS
Household Use — Machine Clothing
Printing — Stereotyping
TWEED and other WOOLLEN CLOTHS

DON VALLEY PAPER

Sales Improved 15 p.c. — Dividends May be Reinstated

Don Valley Paper Co. for the last six years has made good progress in manufacturing and sales. It has done well not only in its lines of cover paper, Bristol board, tags and colored specialties which it has been pushing during this time but in the three grades of blotting paper which were added early in 1932. These three grades of blotting paper are sold in different weights and colors.

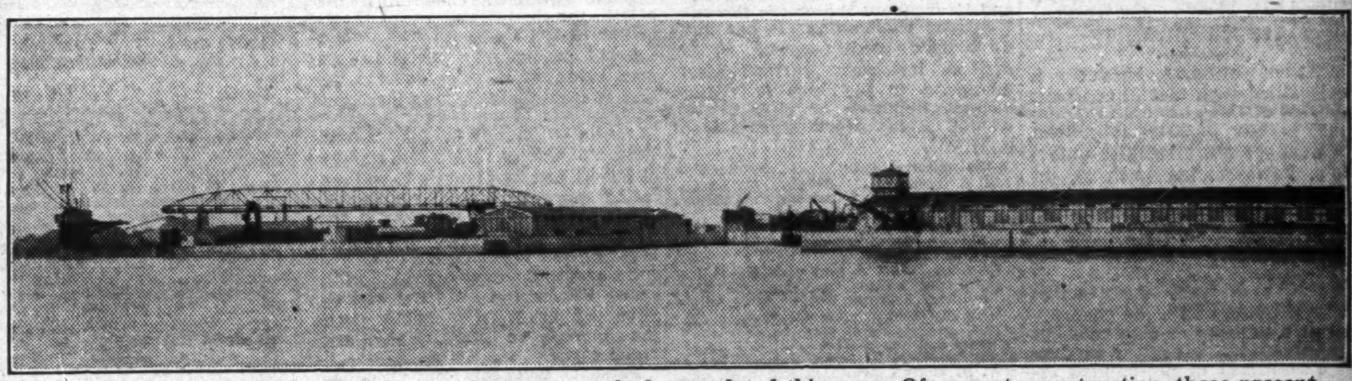
Sales in 1934 are exceeding those of 1933 by about 15 per cent in dollar volume. As prices have remained about the same in the two years, the physical volume also has increased. The improving situation in 1934 is leading the board of directors this quarter to give earnest consideration to the dividend policy. Dividends were more than earned in 1933 and have been earned with a larger surplus in 1934. Up to the present it has been thought the better method to turn the money back into plants until the business situation is definitely stabilized. That policy will be continued but it is possible that in the current quarter something else may be paid.

Capitalization—	Authorized	Outstanding
Preferred 7% .... Par $100.	1,500 shs.	679 shs.
Common .... No par value.	5,000 shs.	2,967 shs.

Officers—
N. E. Wainwright, pres.; R. H. Joyce, vice-pres.; J. F. MacKenzie, supt. and director.

Woodpulp Exports

Exports of woodpulp from Canada during 1933 amounted to 608,510 tons valued at $22,354,637. This compares with 452,293 tons in 1932 valued at $18,930,064, an increase of 35 per cent in quantity and 23 per cent in value.



Western end of the Harbour showing the two new sheds completed this year. Of concrete construction, these present the most up-to-date in cargo-handling facilities.

The HARBOUR of THREE RIVERS
An Asset to Industrialists and Distributors

1933 STATISTICS

In 1933, there docked in the Harbour 1,867 ships of a total registered tonnage of 1,537,757, compared with 1,621 ships in 1932.

60,000 tons of newsprint were shipped by water to United States ports compared with 48,811 tons the previous year and 49,000 tons to European ports compared with 13,331 tons in 1932.

In addition, in 1933, quantity shipments of Kraft paper, aluminum, carbide, lumber, general cargo, and ore were exported.

Accessibility by land and water is one of the first requisites of an industrial location.

The St. Maurice Valley District is most advantageously served by the Harbour of Three Rivers, a natural port of entry, where **ships of the deepest draught** can load and discharge cargoes for and from the ports of the world.

Located at the head of tidewater, it has the further advantage that no tugs are required to berth or leave.

Both of Canada's great railway systems serve the district with efficiency and despatch.

With over $4,000,000 spent within the last four years and $400,000 being spent this year, the Harbour of Three Rivers is up-to-date in its wharfage accommodation, storage facilities and handling equipment.

650,000 SQUARE FEET OF WHARFAGE SPACE; TWO STEEL DISCHARGING COAL TOWERS AND BRIDGES; COLD STORAGE OF 6,500 CUBIC FEET CAPACITY. TWO NEW FREIGHT SHEDS OF 400 x 60 FEET, OF MOST UP-TO-DATE DESIGN.

For further information and co-operation, apply to Three Rivers Harbour Commission

VICTOR ABRAN, N.P., *President*
J. P. LORANGER and JOHN P. TEBBUTT, *Commissioners*
J. R. LARIVIERE, *Secretary Treasurer*

Central section of the Harbour. Note easy accessibility for ships to dock or clear without tugs

BROMPTON

Operating Profit Expected to be Shown for This Year

Controlled by St. Lawrence Corp.

Brompton Pulp and Paper Co.'s operating loss of $252,350 in 1933 is expected to be turned into an operating profit in 1934. Since 1932 there has been a steady improvement in operations and earnings.

All of the capital stock of this company is owned by St. Lawrence Corp., which at one time held control over Lake St. John Power and Paper and St. Lawrence Paper Mills. Following difficulties encountered, a programme of decentralization was carried out not long ago and control of Lake St. John was transferred to a bondholders' committee while an executive committee was set up to take charge of Brompton.

Brompton operates plants in Bromptonville and East Angus, P.Q., with an aggregate capacity of 225 tons of newsprint, 75 tons of boxboard and 25 tons of kraft, manila and fibre papers per day. The company also controls subsidiary organization operating in New Hampshire with a plant capacity of 70 tons of kraft and 85 tons of fine bond and other papers daily. In addition it also controls the McCrea-Wilson Co., a lumber operator.

Better Wood Supply

Last March the president reported to the shareholders that during 1933 great difficulty was experienced with the company's supply of wood, due to an accumulation of a large amount of old wood of poor quality. By the end of 1933 this condition had been remedied and the company started the current year in a much more favorable position in so far as the wood supply is concerned.

One of the features of the 1933 report was the announcement of the settlement made by St. Lawrence Paper Mills with Brompton for tonnage transferred. Settlement was made for $271,541, which item is shown on the company's balance sheet as a deferred asset.

BROMPTON PULP & PAPER
(Controlled by St. Lawrence Corp.)

Capitalization—	Authorized	Outstanding
Common	500,000 shs.	*300,000 shs.

n.p.v.

*Upon completion of exchange all these shares will be owned by the parent company. As at Dec. 31, 1933, 296,628 shares were owned.

Funded Debt—
Obligations of McCrea-Wilson Lumber Co., Guaranteed:

6% first mtge. bonds, due 1939	$353,000
6% gen. mtge. S. F., due 1937 .	90,500

Dividend Record—
Common—None at present. Was $2 per annum, payable Jan., April, July and Oct. 15. Reduced to $1 per annum with quarterly payment April 15, 1931; payment due July 15, 1931, passed; none since.

Officers and Directors—
Officers—A. F. White, pres.; R. W. Steele, vice-pres.; A. M. Creighton, compt. and sec.-treas.; A. C. Davy, asst. sec.-treas.

Directors—N. A. Timmins, J. I. Rankin, R. O. Sweezey, R. W. Steele, A. M. Creighton, A. C. Davy, Montreal; G. R. Cottrelle, A. F. White, Toronto.

Three Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1931	174,322	75,000	1,328,900
1932	*670,931	....	*459,776
1933	*262,350	....	*803,491

*Loss or deficit.

BLDG. PRODUCTS

Better Prospects in Building Trades Make Outlook More Encouraging

Profit of Building Products is closely allied with that of construction activity which has been restricted by adverse business conditions. Prospects are not altogether unfavorable, however, inasmuch as the Federal Government has undertaken a building programme which in turn should be of considerable importance to companies such as Building Products.

In order to diversify its production and stabilize earnings, the company has put a number of new products on the market. Last spring production commenced of pre-molded asphalt products in the form of asphalt bridge planks, industrial flooring, expansion joints and tile flooring.

Add New Lines

Two other new lines added by the company are insul-bric and insul-stone-bloc sidings. These sidings consist of a slate surface, asphalt, weather-proof material and resemble actual stone blocks.

The Verona Rock Products Co., a subsidiary of Building Products, commenced operations last spring at its new plant at Verona, Ont., for producing crushed rock, surfacing material used in the manufacture of asphalt shingles. Hitherto this basic material has been imported.

Further developments took place in July when the company purchased a plant in Winnipeg for the manufacture of its various products, for the purpose of serving the western Canadian trade. This is the only plant of its kind in the Prairie Provinces, as up to the present there has been no roofing factory between Hamilton and Vancouver.

There was a moderate improvement in the company's earnings last year, while the liquid position continued to be exceptionally strong. The value of new construction work undertaken last year was at the lowest level since 1915, while the value of building permits declined 26 per cent from the 1932 figure. Consequently the company's sales were somewhat less in 1933 than in 1932. Expenses were reduced, however, enabling the company to report a profit from operations, after making provision of $125,574 for depreciation, of $25,462. This compared with a profit of $9,068 in the previous year.

The record of Building Products to date has been a satisfactory one. The company has no funded debt and its common shares are the only securities outstanding. It has built up a strong cash reserve. At the end of last year current assets amounted to $1,910,149 as against current liabilities of only $69,146, leaving a net working capital of $1,841,002.

Capitalization—	Authorized	Outstanding
Cl. A (non-vot.)	116,346 shs.	116,346 shs.
Cl. B (voting) ..	4,500 shs.	4,500 shs.

No par value.

Funded Debt—
None.

Dividend Record—
Common, class A and class B—$1 per share per annum, payable quarterly, Jan., Apr., July and Oct. 1. Initial quarterly dividend at present rate paid Oct., 1932, and regularly since.

Officers and Directors—
Officers—P. R. Allen, chm. of board; W. R. McNeil, president and man. dir.; D. P. Hatch and C. P. Cowan, vice-pres.; R. C. Crooker, sec.-treas.

Directors—P. R. Allen, East Walpole, Mass.; W. R. McNeil, C. P. Cowan, D. P. Hatch, W. Brainerd, G. M. McKee, G. H. Montgomery, Montreal.

Earnings per Share and Dividend Record:

Classes A & B:	1933	1932	1931
Earned	$0.21	*$0.07	$2.18
Paid	1.00	1.35	2.00

*Based on net profits from operations.

Six Years Earnings:

Year	†Earnings $	Dividends $	Surplus $
1928	376,395	191,818	643,465
1929	418,482	212,040	849,907
1930	326,434	241,692	934,649
1931	263,820	241,692	956,778
1932	9,068	163,142	860,117
1933	25,462	120,846	764,733

†After adding income from investments and deducting reserve for contingencies and depreciation reserve.

Market Record—

	*1934 H	*1934 L	1933 H	1933 L	1932 H	1932 L
Com. A	23½	16¼	21	10½	20¼	10

*To September 19.

CANADIAN INTER. PAPER

Major Newsprint and Pulp Producer Finds Going Difficult With Present Low Selling Prices—Parent Company's Position of Interest and Importance

Canadian International Paper, controlled by International Paper Co., and in turn controlling mills at Gatineau, Three Rivers, Dalhousie and Corner Brook, produced 544,273 tons of newsprint with an operating ratio of 67 per cent in 1933. This compares with a production of 493,435 tons for an operating ratio of 61 per cent in the previous years. Inventories of finished newsprint of these mills declined 19,213 tons, or 15 per cent, during the year.

From June to the end of last year there was a marked increase in consumption of newsprint in the United States and Canada, although consumption for 1933 on the whole was about 4 per cent below 1932, due to the very unfavorable conditions earlier in the year, and the bank holiday in the United States had a serious effect upon consumption of newsprint. Since the beginning of the current year, the mills of Canadian International Paper have been operating at a higher ratio and expectations are that the output for 1934 will be above that for 1933 provided there is no setback in the trend of newsprint consumption during the balance of the year.

Pulp Division Helps

In addition to newsprint, Canadian International Paper is an important producer of bleached sulphite pulp. Of these two products, C. I. P. produced 686,000 tons in 1933 as compared with an aggregate production of 612,686 tons in 1932 and 775,930 tons in 1931.

Despite the rather unfavorable market situation, gross revenues of Canadian International Paper Co. increased from $30,227,721 in 1932 to $31,881,847 in 1933. The net operating profit was $4,341,424, nearly $1,000,000 greater than in 1932.

Income Exceeds Outgo

While the income account of the company for last year shows a deficit after all charges, there is no indication of the company defaulting interest on its first mortage bonds. Examination of the financial statement shows that there was a large amount written off for depreciation. This is really a book charge and does not affect the cash position of the company. Accordingly the amount available to take care of bond interest and other cash payments was sufficient to cover all charges.

Reducing Floating Debt

Some improvement was noted in the balance sheet position of the company, which at the end of 1933 showed that funded debt of the company had been reduced to $89,701,541, as against $93,563,857 at the end of the previous year. During the same period bank loans declined from $3,494,000 to $1,324,000.

The improvement in respect to funded debt and bank loans is offset to some extent, however by an increase in the amount due to International Paper from $2,941,169 to $5,954,078.

Other changes noted in the financial position of the company as at the end of last year were a decline in the investment account from $2,535,515, to $652,950. This was largely due to the writing down of the company's interest in the Newsprint Bond and Share Co., which, in turn, controls the Bathurst Power & Paper Co. Inventories registered a contraction of approximately $4,500,000 at $13,407,735 during the past year.

Consider Parent Concern

In considering the position of Canadian International Paper Co. it is necessary to take into consideration International Paper & Power Co.'s position as the ultimate holding unit. I. P. & P. has had numerous major financial problems to face over the past year or so. Had its income been dependent upon pulp and paper operations, it is doubtful if the organization would have survived. Revenue from power properties, and other allied interests, however, have enabled the holding company to carry on.

A Major Development

This month an important development took place, the effect of which is not fully determined at the moment. Due to increased operation costs and taxation, New England Power Association was forced to pass the dividend on its common stock, practically all of which is owned by International Hydro-Electric System, which in turn is controlled by International Paper & Power. The loss of revenue from this source has already been felt by the System, which has deferred dividends on its preferred stock. As far as I. P. & P. is concerned, it is unlikely that much revenue will accrue from that source during the current year. Consequently its income will be largely determined by the operating results of the pulp and paper and allied units.

Want Better Price

As far as the newsprint end of operations is concerned, and this is a major division, International's problems are common with those of other newsprint operators. In adopting the newsprint code under the N.R.A. the manufacturers let themselves in for increased cost, while the purchase of raw materials has also advanced in price so that the cost of manufacturing has increased without any compensatory advance in selling price. The net results have been that the manufacturers instead of benefitting by the code have been losing more money with sales increased. While the increase in the demand for newsprint has permitted International to step up its operating ratio and thus effect a reduction in costs, the savings in this respect have not been sufficient to offset the increase in labor, wood, and other costs.

Present prospects of Canadian International Paper Co. as parent company are indeterminate. Many difficulties remain to be ironed out. Indications are, however, that if the newsprint manufacturers are successful in securing a better price for the newsprint, the loss in revenue from the power properties will be largely offset, and thus permit the organization to carry on until such time as conditions are on a more normal basis.

INTERNATIONAL PAPER & POWER

Capitalization—	Authorized	Outstanding
Common A ..	5,000,000 sh.	998,392 sh.
Common B ..	3,000,000 sh.	998,392 sh.
Common C ..	5,000,000 sh.	2,498,171 sh.
N.p.v.		
Pref. 7%	$100,000,000	$92,495,900
Pref. 6%	2,000,000	1,664,900
Par $100.		

Funded Debt—
The company has no funded debt, but, as at Dec. 31, 1933, bonds, etc. of subsidiary companies outstanding amounted to $360,110,783 (of which $2,206,316 matures in 1934).

Dividend Record—
7 per cent pref. and 6 per cent pref.—cumulative, payable Jan., April, July and Oct. 15; paid regularly from Jan., 1929, to April, 1931; none since.
Class A common—None at present; $2.40 per share per annum paid regularly from Feb. 15, 1929 to Aug. 15, 1930; none since.

Officers and Directors—
Officers — Archibald R. Graustein, pres.; F. D. Comerford, vice-pres.; Neil C. Head, vice-pres.; W. N. Hurlbut, vice-pres.; H. R. Weaver, vice-pres. and treas.; T. G. Dignan, sec.; E. B. Norcross, R. G. Ladd, A. R. Storm, asst. treas.; C. D. Young, H. C. Hahn, F. A. Auffermann, Jr., G. S. McCarthy, asst. secs.

Directors—W. C. Baylies, W. Chamberlain, F. D. Comerford, J. R. Macomber, Boston, Mass.; M. G. Chace, Providence, R.I.; Archibald R. Graustein, D. T. Layman, Jr., A. H. Wiggin, A. A. Tilney, G. Auchincloss, Ogden L. Mills, Ogden Phipps, New York, N.Y.; W. W. Sunderland, Dayton, Ohio.

Executive Committee—Archibald R. Graustein, chm.; M. G. Chace, A. A. Tilney, D. T. Layman, Jr., J. R. Macomber, Ogden L. Mills, W. W. Sunderland, G. Auchincloss.

Times Fixed Charges Earned—

	1933	1932	1931
Before deprec. reserve†	1.25	1.10	1.39
After deprec. reserve†	0.97	0.83	1.12

† And depletion reserve.

Earnings per Share and Div. Record—

	1933	1932	1931
7% pref.: Earned.	nil	nil	$0.67
Paid	nil	nil	1.75
6% pref.: Earned .	nil	nil	nil
Paid	nil	nil	1.50
Cl. A com.: Earn.	nil	nil	nil
Paid	nil	nil	nil

Six Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928*	17,604,276	8,655,610	18,184,646
1929	34,551,982	8,834,511	15,069,332
1930	41,275,748	7,703,038	12,976,213
1931	40,631,611	1,632,565	11,961,887
1932	37,111,048	....	3,204,158
1933	41,820,638	....	†2,600,191

*Compiled by the company for comparative purposes only.
† Deficit.

Market Record (New York Stk. Exch.)—

	*1934 H	*1934 L	1933 H	1933 L	1932 H	1932 L
Pref. ..	24⅞	8½	22½	2	12¾	1¾
Cl. A ..	6½	2	10	½	4⅜	½
Cl. B ..	3½	1⅛	5¾	¼	2	¼
Cl. C ..	2¾	1	4	¼	1½	¼

*To September 19.

CANADIAN INTERNATIONAL PAPER
(Controlled by Canadian International Paper Ltd.)

Capitalization—	Authorized	Outstanding
Common	$10,000,000	*$10,000,000

Par $100.

Funded Debt—	Outstanding
1st mtge. gold 6%, due 1949	$23,250,000
Ref. mtge. 6%, due 1946 A	*23,400,000
Do., 5% C, due 1934	*4,250,000
Floating chg. 6%, due 1946	1,000,000
Riordon Pulp & Paper:	
1st mtge. s. f. 6% debs., due 1942	725,200
N. B. International Paper:	
1st mtge. 6%, due 1961 ..	*$12,500,000

*All owned by International Paper Co.

Dividend Record—
Common—$3 per share paid in 1930; $12 in 1931 and $6 in 1932. None paid in 1933.

Officers and Directors—
Officers — Archibald R. Graustein, pres.; Brig.-Gen. J. B. White, first vice-pres.; E. A. Charlton, vice-pres.; Neil C. Head, vice-pres.; W. N. Hurlbut, vice-pres.; J. L. Fearing, vice-pres. i/c newsprint sales; F. G. Robinson, vice-pres. i/c sulphite sales; C. B. Thorne, vice-pres. i/c sulphite manufacture; H. R. Weaver, treas.; Roy Campbell, sec.; H. J. Webb, compt.; C. D. Young, asst. sec.

Directors — Hon. Raoul Dandurand, V. M. Drury, J. A. Eccles, G. H. Montgomery, Hon. Donat Raymond, F. N. Southam, Brig.-Gen. J. B. White, Hon. Smeaton White, Montreal, P.Q.; Gordon C. Edwards, G. Gordon Gale, Ottawa, Ont.; J. H. Fortier, Quebec, P.Q.; Archibald R. Graustein, Neil C. Head, J. H. Phipps, J. F. Rollins, A. H. Wiggin, G. Auchincloss, New York, N.Y.; J. R. Macomber, Boston, Mass.; H. P. Robinson, Saint John, N.B.; T. A. Russell, Toronto, Ont.

Executive Committee—Archibald R. Graustein, chm.; Brig.-Gen. J. B. White, Neil C. Head, G. H. Montgomery.

Times Fixed Charges Earned—

	1933	1932	1931
Before deprec. & depletion	0.75	0.61	1.70
After deprec. & depletion	0.37	0.21	1.28

Earnings per Share and Div. Record—

	1933	1932	1931
Common: Earned	nil	nil	$7.56
Paid	nil	$6.00	12.00

INTERNATIONAL POWER & PAPER OF NEWFOUNDLAND
(Controlled by Canadian International Paper Co.)

Capitalization—	Authorized	Outstanding
Common	£5,000,000	†£500,000 ($2,433,250)
Pref. 5%		£2,080,000 ($10,122,320)

Par £1.

† Entirely held by International Paper and Power Co.

Funded Debt—
1st Mtge. bonds, 5 per cent, due 1968, outstanding $4,866,000. Nfld. Power & Paper "A" mortgage deb. stock, 4½ per cent, due 1973, outstanding $9,733,000. Present due date is 1948, but in effect the company has the right of extension to 1973.
"B" mortgage 5½ per cent debenture stock, due 1970, outstanding $9,313,021.

Officers and Directors—
Officers—A. R. Graustein, pres.; N. C. Head, vice-pres.; E. A. Charlton, vice-pres. and gen. mgr.; H. R. Weaver, treas.; A. R. Storm and H. A. Maycrink, asst. treas.; C. D. Young, sec.; T. S. Howard and E. E. Adams, asst. secs.; K. O. Elderkin, dist. mgr.

Directors — A. R. Graustein, N. C. Head, J. F. Rollins, J. H. Hinman, G. A. Brownell, H. R. Weaver, R. L. Weldon, E. A. Charlton, all of New York; Sir G. S. Barnes, J. Frater Taylor, London, Eng.; W. H. Abbott, Hon. H. A. Winter, St. John's, Newfoundland.

Times Fixed Charges Earned—

	1933	1932	1931
Before deprec. & depletion	1.33	1.65	1.76
After deprec. & depletion	0.88	1.23	1.38

Earnings per Share and Div. Record:

	1933	1932	1931
Pref.: Earned ...	nil	$0.17	$0.31
None paid.			
Common: Earned	nil	nil	1.06
None paid.			

INTERNATIONAL FIBRE BOARD
(Controlled by International Paper Co.)

Capitalization—	Authorized	Outstanding
Common	10,000 shs.	10,000 shs.
No par value.		
1st pref. cum. ...	$1,500,000	$1,500,000
Par $100.		
2nd pref. non cum.	65,000 shs.	65,000 shs.
No par value.		

Of the above International Paper Co. owns $1,318,800 of the first preferred, 64,999 shares of the second preferred and all of the common.

Officers—
E. A. Charlton, pres.; J. B. White and H. R. Weaver, vice-presidents; Owen Shepherd, treas.; C. D. Young, sec.; E. E. Adams, asst. sec.

CONTINENTAL PAPER & BAG
(Controlled by International Paper Co.)

Capitalization—	Authorized	Outstanding
Common	$3,000,000	$3,000,000

Par $100.

All owned by International Paper Co.

Funded Debt—
1st ref. bonds series A, 6½ per cent, due 1944, outstanding $283,000. Marinette & Menominee Paper Co., 7½ per cent bonds, due 1936*, outstanding, $900,000.

*Guaranteed as to principal and interest by Continental Paper and Bag Mills Corp. and assumed by the new company on its formation.

CONTINENTAL PAPER PRODUCTS
(Controlled by Continental Paper & Bag Corp.)

Capitalization—	Authorized	Outstanding
Common*	$1,250,000	$750,000
Pref. cump. partic.*	750,000	725,000

Par $100.

*All owned by Continental Paper & Bag Corp.

Funded Debt—
First and coll. trust S. F. bonds, 6½ per cent, series A, due 1943, outstanding $414,000.

Interlake Tissue

Demand for the products of Interlake Tissue Mills remains fairly constant from year to year, so that operations and earnings are maintained on a relatively satisfactory basis. The company's mill at Merritton, Ont., produces light-weight paper, napkins, towels, decorative crêpes and other high-grade specialty products.

Financing of Interlake Tissue Mills was carried out privately, so that there is no direct public investment interest in the enterprise.

Capitalization—	Authorized	Outstanding
Common	$1,000,000	$625,000

Par $100.

Funded Debt—
1st mtge. S. F. bonds, 6 per cent, due 1935, outstanding $20,000.

Officers and Directors—
G. Carruthers, pres. and gen. mgr.; S. F. Duncan, vice-pres. and treas.; W. J. Parks, sec.; A. Fasken, S. B. Munroe, A. B. Connable, T. A. Weldon, A. E. Curtonius, Kalamazoo, Mich.

Hold Unique Position

Canada's exports of newsprint are now second only to her exports of wheat and are greater than the newsprint exports of the rest of the world.

GEORGE CHRISTIE (CANADA) LIMITED

Ruby Metal Wires with the "Clever Twill" enjoy the confidence of Paper Makers throughout the World.

Christie's special "RUBY METAL" Wires are supplied in all meshes, in widths up to 270 inches, and with special seams and edges to suit requirements.

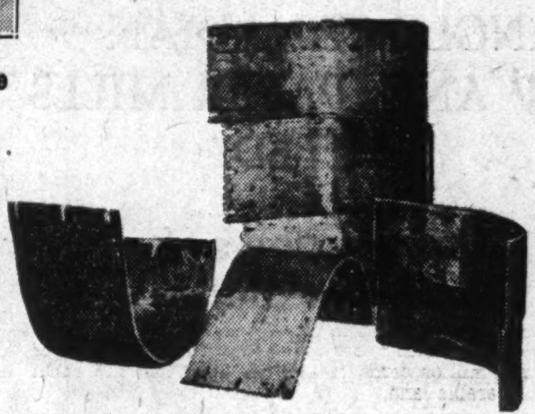
Recent results entitle us to claim that for Dependability, Economy and Uniform Good Service our Wires are unsurpassed. Specify CHRISTIE'S "RUBY METAL" WIRES.

FACTORY AND OFFICES:
THREE RIVERS, QUE.

PULP and PAPER MILL CASTINGS in Manganese Steel

Paddles
Liners
Hammers
Flanges
Blades
Gap Wheel Teeth
Tractor, Sleigh and other wearing parts.

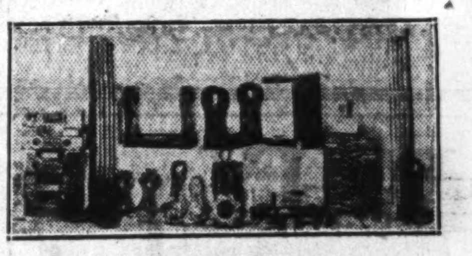
Pulverizer paddles properly ground to uniform weight to ensure perfect rotor balance.



Manganese steel liners rolled accurately to contour.

The gratifying improvement in the Pulp and Paper Industry is proving a boon to the many other lines of manufacture which serve it.

We are glad to express our appreciation for the increasing volume of orders that are coming to us from pulp and paper mills.



Various types of pulverizer parts cast in manganese steel, ground and finished in our shops exact to size and balance.

Sorel Steel FOUNDRIES LIMITED
SOREL QUEBEC

Executive and Sales Offices, Marine Bldg., 1405 Peel St., Montreal Toronto, 170 Bay St.

Don Valley Paper Co. Limited
Toronto Ontario

Makers of Cover, Bristol, Index, Blottings, Tag and Folder and high class Specialties.

Specify Don Valley Brands

EVERYTHING ELECTRICAL

To fill the needs of Canadian Pulp and Paper Makers are 300,000 Westinghouse products, backed by a nation-wide electrical service.

CANADIAN WESTINGHOUSE COMPANY, LIMITED
HAMILTON, ONTARIO [Branch Offices and Repair Shops in All Principal Cities]

Westinghouse

STELCO

Chain Link FENCE

The plant of Anaconda American Brass, Limited, at New Toronto, Ontario, is one of the many Canadian industrial properties which are permanently protected by Stelco Chain Link Fence. Made of Copper Bearing Open Hearth Steel Wire and heavily galvanized after weaving, it provides strength, lifetime service and dignified appearance.

THE STEEL COMPANY OF CANADA LIMITED

Sales Offices: Halifax, Saint John, Montreal, Toronto, Hamilton, Winnipeg, Vancouver. Fence Plants: Hamilton and Montreal.

BROWN CORP.

Sell Timber Rights in Quebec to Rothermere Companies

Brown Corp., Canadian subsidiary of Brown Co., of New Hampshire, and large manufacturers of pulp and specialties, has experienced an improvement in conditions over the past year, due to the marked strengthening of the market for pulp and the better prices obtained for that product.

An important development in connection with the company this year was the sale to the Anglo-Newfoundland Development Co., a Lord Rothermere interest, certain rights to cut timber on the north shore of the St. Lawrence River for a cash payment of $750,000. At the same time options were given to the Anglo-Canadian Pulp and Paper Co., another Lord Rothermere enterprise, on additional timber limits adjacent to those sold.

Parent Firm's Difficulties

Brown Corp. does not publish a financial statement, but that of the parent company would indicate that conditions have been rather difficult in recent years. For the year ended November 30, 1933, the parent company's consolidated statement shows an operating loss of $276,183. After providing for depreciation, depletion and interest charges, there was a net loss for the year of $2,689,350 which reduced the surplus account to $1,850,513. As at the end of last November the company had bank loans and loans for logging operations totalling $2,619,098, against which current assets and certain timber-cutting rights were hypothecated as security.

BROWN COMPANY

Capitalization—	Authorized	Outstanding
Pref. 6% cum. .. Par $100.	$10,000,000	$10,000,000
Common .... No par value.	400,000	†400,000

†All owned by officials of the company.

Funded Debt—
1st mtge. 5 per cent bonds due: A, 1946; B, 1950; outstanding $21,425,500. Long term obligations outstanding $341,145.

Dividend Record—
Preferred—Paid to Feb. 1, 1931.

Consolidated Profit and Loss Statement Year Ended Nov. 30, 1933

	$
Operating loss	276,183
Add: Depreciation	763,218
Depletion	245,751
Bond interest	1,178,403
Other interest	225,795
Net loss for year	2,689,350
Previous surplus	4,549,863
Carried forward	1,860,513

BROWN CORPORATION
(Wholly owned by Brown Company)

Capitalization—	Authorized	Outstanding
Common	$14,000,000	$14,000,000

Entire stock owned by Brown Co.

Officers—
H. J. Brown, pres., Portland, Me.; O. B. Brown, vice-pres. and sec.-treas.; W. R. Brown, gen. mgr.

Directors—
H. J. Brown, O. B. Brown, W. R. Brown, D. P. Brown.

Industry Centres in Quebec

According to the 1933 census there were 95 pulp and paper mills operating in Canada, of which number 28 were pulp, 42 pulp and paper and 25 paper mills. Quebec is in the lead with 42 plants, followed by Ontario with 36, British Columbia with 6, and Nova Scotia and New Brunswick with 11. In addition there is one plant in Manitoba which was not in operation last year.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning and operating mills at

Beaupré, Que.	Sault Ste. Marie, Ont.
Sturgeon Falls, Ont.	Iroquois Falls, Ont.
Espanola, Ont.	Smooth Rock Falls, Ont.
Pine Falls, Man.	Fort William, Ont.

Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

For Sale

FREEHOLD TIMBER LANDS

THE Canadian Pacific Railway Company offers for sale 150 square miles (95,718 acres) of valuable freehold timber lands situated in the Province of Quebec, estimated to contain from 5 to 6 cords of pulpwood per acre, or about half a million cords, other valuable timber and about 42 per cent arable land.

In addition, the Company offers for sale scrip for about 230 square miles (147,525 acres) of freehold timber limits in the Province of Quebec, to be selected.

For further particulars apply to—

J. O. APPS
General Executive Assistant,
Canadian Pacific Railway Co.,
203, Windsor Station,
MONTREAL, Que.

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Reduce YOUR Wire Costs

With manufacturing costs so vital a factor in newsprint production, "CAPITAL" wires, TRI-SHAFT or PLAIN WEAVE, with their Radio Seamless Joint are Allies of Economy for you.

Let us prove it.

THE CAPITAL WIRE CLOTH & MFG. COMPANY • LIMITED
OTTAWA Established 1912 CANADA

ESTABLISHED 1890

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Three Rivers
CANADA

CANADIAN PAPERBOARD

Robert Gair Takes Lease on Properties for Period of Years

Reorganization plans for Canadian Paperboard have been carried out and the assets of the company transferred to Canadian Paperboard Ltd. Under the terms of this deal, the preferred shareholders of Canadian Paperboard Co. received one new common share for each two old shares held.

This exchange of stock is now under way and when completed a meeting of the shareholders of the new company will be held to approve of the contract whereby the company's properties are leased for a period of years to the Gair Co., Canada, Ltd., a subsidiary of Robert Gair Co. Inc., of New York.

Participate in Profits

Under the terms of this lease it is understood that the Gair Co., Canada, will pay to Canadian Paperboard Ltd. an annual sum which will take care of taxes, insurance and underlying charges. In addition, Canadian Paperboard will have a share in the profits of the Gair Co., Canada, after various charges have been provided.

Canadian Paperboard went into receivership in the early part of 1930, largely because of the construction of a plant in Toronto which the company was unable to finance at that time. The plants at Frankfort and Campbellford were closed down and production concentrated in the Toronto and Montreal units. Various other economies were put into force by the receiver, but results were not altogether satisfactory.

Form Holding Company

Early last year it was decided to bring about a reorganization and a plan was arranged providing for the setting up of four operating companies to take over the properties in Montreal, Toronto, Frankfort and Campbellford. These units are controlled by a holding company, which in turn will issue preferred and common shares to Canadian Paperboard Co.'s creditors.

The holding company, when all details are completed, will have a capital of $2,500,000 of 7 per cent preference stock and 20,000 shares of no par value common stock. In addition there will be outstanding a ten-year obligation of $44,167 arising out of claims against the trust deed by the Quinte and Trent Valley Power Co.

Basis of Exchange

The reorganization plans provide that Canadian Paperboard bondholders will receive one preference share for each $100 of bonds, plus one share of common stock for each $400 of bonds; ordinary creditors will receive one share of common for each $100 in claims; preference shareholders will receive one new common share for each two shares of old preference held; while the common shareholders will receive one new share for each ten shares of old stock held.

Capitalization*—	Authorized	Outstanding
Common .... n.p.v.	20,000 shs.	13,821 shs.
Preferred ...... Par $100.	$2,500,000	$1,568,700

*Upon completion of reorganization.

Funded Debt—
None.

Dividend Record—
Preference—Entitled to 7 per cent per annum, cumulative from Jan. 1, 1936. None paid to date.
Common—None paid.

Officers and Directors—
Officers—Col. J. L. Ralston, pres.; W. S. Morden, vice-pres.; J. G. G. Kerry, sec.-treas.
Directors—Col. J. L. Ralston, Stanley Johnston, C. E. Lewis, Montreal; W. S. Morden, J. G. G. Kerry, Frank Lawson, Gordon MacLaren, Toronto.

DONNACONA PAPER

Progress Reported in Past Year — Receive Pool Tonnage

Though earnings of Donnacona Paper Co. have been on a better basis this year, uncertainty over the outlook in the newsprint industry caused the directors to defer action on interest, payable on August 1 provided that income was sufficient to cover same.

Under the reorganization plan carried out in 1932, bondholders cancelled the interest liability of the company up to February 1, 1934. For the next two years interest was to be cumulative, but payable out of income only. The first six months of the "income" period ended last August and for the reason mentioned, the directors decided to conserve cash resources.

No Bank Loans

Since the reorganization of Donnacona Paper, the company's financial position has been strengthened. The report for 1933 indicated that a satisfactory working capital position had been established. There were no bank loans or other liabilities beyond a small amount of accounts payable.

Earning power of the company continues to be of limited proportion—insufficient to take care of bond interest.

Question of Tonnage

Due to a pooling arrangement made several months ago, Donnacona Paper Co. was able to step up plant operations. This pool is understood to expire shortly. It is unknown at the moment whether or not Donnacona Paper will secure an additional allotment or have to depend on open market operations to maintain plant operations. During the first half of 1934 the company operated at about 45 per cent of its rated newsprint capacity.

Capitalization—	Authorized	Outstanding
Class A	121,804 shs.	121,804 shs.
Class B .... No par value.	123,088 shs.	123,088 shs.

Funded Debt—
1st mtge. 5½ per cent bonds, series A, due 1948*, outstanding $6,584,000.

*Interest liability up till Feb. 1, 1934, cancelled and for two years thereafter cumulative but payable out of income only.

Officers and Directors—
Officers — Robert P. Kernan, pres.; Hon. George Parent, vice-pres.; Louis W. Michael, sec.-treas.
Directors — Robert P. Kernan, Hon. George Parent, Sir George Garneau, Hon. W. Gerard Power, A. C. M. Thomson, Quebec; A. P. S. Glassco, Montreal.

Six Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1928	869,763	......	62,371
1929	829,861	......	65,275
1930	621,190	......	66,453
1931	434,879	......	nil
1932	275,474	......	6,036
1933	150,306	......	6,254

*From all sources.

COR. PAPER BOX

Improved Demand for Products — Net Profit for 1933

Corrugated Paper Box Co. reported an improved demand for its products for the fiscal year ending Dec. 31, 1933, and it is understood that this improved demand has continued well into the current year.

In 1933, the company showed a net profit of $15,747 as compared with a loss of $17,416 in 1932 and net earnings of $59,942 against $26,265.

The company has no funded debt. The preferred shares earned $1.96 in 1933, as compared with nothing in 1932 and 1931, and $7.23 in 1930. In the latter year, dividends of $3.50 per share were paid.

The company manufactures corrugated and solid fibre shipping containers. Two plants are operated, one at Leaside, Ontario, and the other at Winnipeg, Manitoba.

Capitalization—	Authorized	Outstanding
Common ...... No par value.	100,000 shs.	*47,000 shs.
Pref. cum. red. . Par $100.	$1,500,000	$803,400

*Including 1,245 shares unpaid.

Funded Debt—
None.

Dividend Record—
Preferred—Entitled to 7 per cent per annum, payable quarterly, Mar., June, Sept. and Dec. 1. Initial dividend of 1¾ per cent paid Sept., 1928, and regularly up to and including June 1, 1930; none since.
Common—None paid.

Officers and Directors—
Officers — A. T. Whealy, pres., gen. mgr. and treas.; J. A. Gairdner, vice-pres.; J. A. Whealy, vice-pres., sales mgr. and sec.; H. Hilton, Winnipeg, mgr.
Directors — J. A. Gairdner, J. A. Whealy, A. T. Whealy, O. A. Doherty, William Lawrence, Toronto; Henry Hilton, W. J. Hilton, Winnipeg.

Earnings per Share and Dividend Record:

	1933	1932	1931
Pref.: Earned† ...	1.96	....	....
Paid	....	....	....
Common: Earned†	....	....	....
None paid.			

†Before income tax.

Six Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928*	174,256	21,787	125,961
1929	159,596	55,055	162,638
1930	131,191	29,067	196,445
1931	†25,815	......	107,034
1932	26,265	......	95,661
1933	59,942	......	110,129

*For nine months.
†Loss.

Market Record—

	*1934 H	*1934 L	1933 H	1933 L	1932 H	1932 L
Pref.	41½	23	..	..	..	..

*To September 19.

DRYDEN PAPER

Some Improvement is Expected in Income for 1934

No unusual developments have occurred in connection with the Dryden Paper Co., manufacturers of sulphate pulp and kraft paper. Although bond interest was not earned in either 1932 or 1933, payment was made and the company continues to maintain a satisfactory working capital position.

The pulp and paper market has shown greater strength for the past several months and Dryden Paper is expected to show better earnings in the fiscal year ended September 30, than was the case in the preceding twelve months when earnings from operations totalled only $18,459.

Current Income Larger

In the early part of the year the president reported that during the first quarter of the 1934 fiscal year operations showed a moderate profit after bond interest, whereas in the corresponding three months of the previous year there was a loss. Earnings for the current year are likely to be helped by the fact that about the middle of the 1933 fiscal year the inventory value of wood on hand was drastically reduced from the cost price at which it had been carried, as it was found that it could be replaced at a lower figure. This "cushion" is likely to be reflected in higher earnings this year.

Capitalization—	Authorized	Outstanding
Common ...... n.p.v.	150,000 shs.	150,000 shs.

Funded Debt—
1st mtge. S. F. gold bonds, 6 per cent, due 1949, outstanding $1,426,000.

Dividend Record—
None paid.

Officers and Directors—
Officers—J. H. A. Acer, pres.; F. A. Sabbaton, vice-pres.; H. Humphreys, treas.; E. S. Pincott, sec.; W. F. Robinson, asst. sec.
Directors—J. H. A. Acer, F. A. Sabbaton, G. Chahoon, Jr., P. A. Thomson, Dan McLachlan, J. B. Woodyatt, E. S. Pincott, E. R. Parkins, Montreal.

Times Interest‡ Earned:

	1933	1932	1931
Before deprec. ..	$0.33	$0.68	$1.06
Earn. per share	nil	nil	†$0.035

No dividends paid.

† Before depreciation.
‡ And U. S. exchange in 1932 and 1933.

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1927	276,035	....	158,763
1928	325,707	....	210,253
1929	351,823	....	151,704
1930	193,967	....	162,439
1931	95,311	....	167,750
1932	69,379	....	119,492
1933	32,488	....	*30,196

* Deficit.

Market Record—

	*1934 H	*1934 L	1933 H	1933 L	1932 H	1932 L
Com. ..	7¼	3½	7¾	¾	3	½

* To September 19.

E. B. EDDY CO.

Newsprint Mill Operating at Capacity — Other Divisions Active

Newsprint operations of the E. B. Eddy Co., operating a plant at Hull, Que., have been on a much wider scale this year than was the case in 1933. In recent months the company has been manufacturing at capacity. The fine paper and specialty division are understood to have participated in the improvement noticed in this class of business.

Over the last two or three years the E. B. Eddy Co., in which Canadian Hydro-Electric Corp. owns a minority interest of 49 per cent, has made large expenditures on capital account. The programme involves a complete overhauling of plant facilities. The first step taken was to install a new water filtration plant at a cost of several hundred thousands of dollars. Other plans provide for the renovation of the sulphite pulp unit, enlargement of boiler capacity, rearrangement of storage and handling facilities, additional pulp preparation equipment and a new head office building.

Diversification Helpful

The E. B. Eddy Co. has a widely diversified line of products, including newsprint, and bond papers principally. The company has been in operation for over eighty years and has established strong outlets for its products.

Consequently it has been able to maintain plant operations on a relatively high basis, while earnings have been such as to provide for regular distribution on the company's capital stock.

Capitalization—	Outstanding
Capital stock, par $100	$300,000

49 per cent owned by Canadian Hydro-Electric Corp.

Dividend Record—
Dividends have been continuously paid for many years, payments not made public.

Officers—
V. M. Drury, pres.; C. V. Caesar, man. dir.

HINDE & DAUCH

Twelve Per Cent Gain for First Half of Current Year

A very substantial improvement in earnings of Hinde and Dauch Paper Co. of Canada was reported in the fiscal year ended Dec. 31, 1933, and a still greater improvement for the current year is indicated by business to date. Business secured by the company for the first six months of the current year, is reported to be 12 per cent in excess of the same period in 1933, with earnings more than sufficient to meet all charges including depreciation, and interest.

Beer Cartons

Early in the year it was feared that prospects for the balance of the season would not be favorable because the demand by breweries for cardboard cartons was expected to decline when freer sale of beer commenced in Ontario. There was also some fear of delivery to hotels of bottled beer in wooden cases instead of the cartons. It is now, understood, however, that these forebodings have not materialized. Moreover there is no indication that the sale of beer by the glass has increased at the expense of the bottled variety in cardboard cartons.

Big Turnover

For the year ended December 31, 1933, the company showed a net profit of $78,929, as compared with a loss of $67,271, in 1932. After depreciation bond interest was earned 2.16 times in 1933 as compared with .30 in 1932, and the common shares earned 26 cents. Nothing was earned on these shares in 1932 or 1931 and only 2½ cents in 1930. The last dividend on the common stock was in 1929, when $1 was paid and 64 cents earned.

The company is one of the largest manufacturers in Canada of fibre shipping containers, corrugated paper products, liner board, and straw board. Plants are located in Toronto, Montreal, and Trenton.

Capitalization—	Authorized	Outstanding
Common ...... N.p.v.	300,000 shs.	299,933 shs.

Funded Debt—
1st mtge. S. F. bonds, series A, 5½ per cent, due 1948, outstanding $1,245,000.

Dividend Record—
Common—None at present. Formerly $1 per share per annum. Initial quarterly dividend of 25c. per share paid July 2, 1928, and regularly thereafter up to and including Jan. 2, 1930. The dividend due April 2, 1930, was passed and no dividends have been paid since.

Officers and Directors—
Officers—S. Frohman, pres.; L. F. Winchell, vice-pres. and gen. mgr.; J. H. MacLeod, sec.; T. E. Lloyd, treas.; M. H. McArthur, gen. sales mgr.
Directors—S. Frohman, J. H. MacLeod, Sandusky, Ohio; M. H. McArthur, L. F. Winchell, T. E. Lloyd, R. L. Warren, Toronto. M. H. Murch, Cleveland, Ohio.

Times Bond Interest Earned:

	1933	1932	1931
Before deprec.	4.53	2.50	nil
After deprec.	2.16	0.30	nil

Earnings per Share and Dividend Record:

	1933	1932	1931
Com.: Earned	$0.26	nil	nil
Paid	....	....	....

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1927	692,022	......	557,274
1928	773,324	......	528,504
1929	455,717	......	191,711
1930	214,308	......	7,522
1931	*33,771	......	*298,466
1932	205,382	......	*57,271
1933	†344,123	......	78,929

*Loss or deficit.
†Includes profit on purchase of bonds of $17,405.

Market Record—

	*1934 H	*1934 L	1933 H	1933 L	1932 H	1932 L
Common	8¾	5¾	8	2	3	1

*To September 19.

ONTARIO PAPER

Private Operator Sets Pace for Rest of Industry

Ontario Paper Co.'s newsprint mill at Thorold, Ont., has been operating at capacity over the past twelve months. It is one of the few Canadian companies which has been able to keep its operations at or near capacity since the decline in the newsprint industry which set in in 1929.

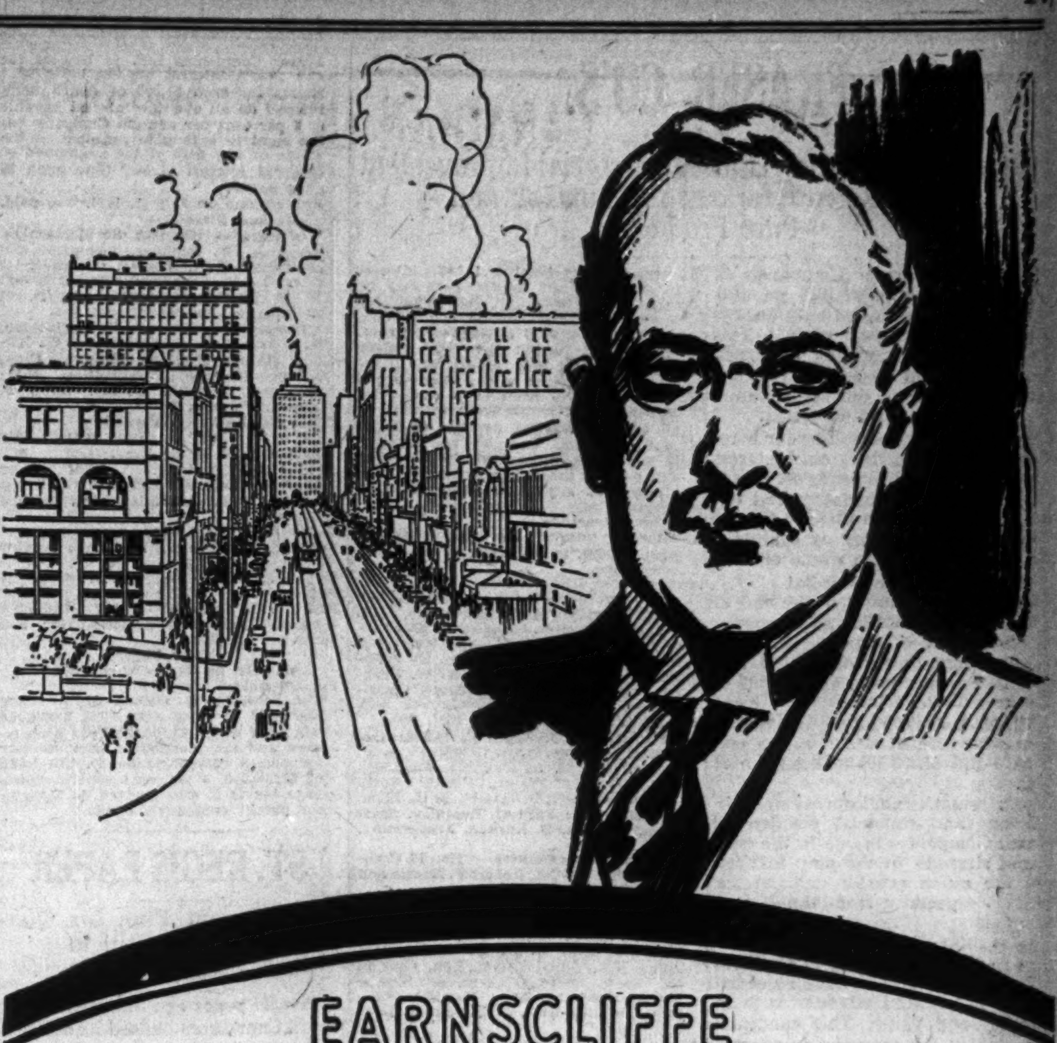
The company is one of the largest privately-owned pulp and paper enterprises operating in the Dominion. Control lies with interests associated with the Chicago Tribune, which take practically all the output of the plant, amounting to nearly 100,000 tons of newsprint and 3,000 tons of wrappers per annum.

Pulp and paper manufacturing equipment is located at Thorold, while woods operations are centred at Shelter Bay, Que. Some time ago the company started a development programme on the Outardes River in Quebec, where a power plant of 40,000 h.p. capacity has been established. It is proposed to use this power for a new mill at English Bay, about 25 miles from the power plant site. Here, when conditions allow the completion of the development, it is proposed to erect a modern plant capable of turning out 300 tons of sulphite and groundwood pulp per day.

This output will be shipped by the company's own boats to Thorold for further processing into newsprint.

Export Values High

Exports of paper and paper goods in 1933 were valued at $72,396,132 as compared with $86,322,539 in the previous year. These exports were made up chiefly of newsprint paper of which 1,838,105 tons valued at $69,200,515 were exported chiefly to the United States.



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BIRD & SON DIVISION RUBEROID DIVISION VULCANITE DIVISION

FRASER CO'S.

Finances of Company Undergo Material Improvement With Better Markets for Lumber and Pulp Products

Earnings of Fraser Companies in the first six months of 1934 amounted to $839,760 compared with $1,115,540 for the entire year of 1933. This figure is after operating expenses, taxes, etc., and provision for bad and doubtful debts, but before interest, depreciation and depletion.

Net profit after providing for bank interest, bond interest and interest on deferred and bond interest accrued, but before depreciation and depletion, amounted to $248,083 for the first half of this year as against a loss of $82,632 for the whole of 1933.

Net Working Capital

Net working capital at the end of last June was $530,350 as compared with excesses of current liabilities over current assets of $89,086 and $1,066,931 respectively at the end of 1933 and 1932. Current bank loans have been reduced to $1,786,000 as compared with $1,901,000 at the end of 1933 and $3,353,291 at the close of 1932.

This remarkable improvement in earnings and financial position of Fraser Companies is due to the continued strength in the pulp market, and the much greater demand for lumber, especially from the United Kingdom.

Sales of sulphite pulp, which is used in the manufacture of artificial silks and fine papers, have recorded a very substantial advance both in quantity and value. This condition has enabled the company to operate its mills at capacity.

Lumber Market Picks Up

One of the causes leading up to the downfall of Fraser Companies was its large inventories of lumber. Over the past twelve months this division of the company's operations has changed over into a money-maker, due to large exports to the British market. The price received for sawn lumber has also been on a better scale, so that this division has been in a more flourishing state than for some time past.

Gains Noted in 1933

Last year the company showed net earnings of $1,115,540, as against $111,477 for 1932. After making provision for all charges, there was a net loss of over $615,448 or $1,700,973 less than in the previous year. Of this improvement operating results contributed $1,080,059.

Stock for Interest

At mid-year the bondholders were informed that although the working capital position of the company had been substantially improved, it was still poor and, therefore, it would not be possible to pay interest due on July 1, 1934 and on January 1, 1935. Under these circumstances the bondholders were offered common stock in lieu of interest due on those dates as specified in the reorganization plan. This was accepted by the bondholders, resulting in the issuing of over 7,500 shares, payable on the basis of five shares of common for interest on each $1,000 bond.

Interest on the Restigouche Co.'s 6 per cent first mortgage bonds, on the other hand, was paid in cash at half year.

Capitalization—	Authorized	Outstanding
Common ...... n.p.v.	500,000 shs.	151,320 shs

Funded Debt—

Prior lien bonds, 6 per cent, due 1942, authorized $2,000,000, issued as collateral security to bank, $470,000.

First mortgage S. F. bonds, 6 per cent, due 1950, outstanding $9,230,531.

Interest payments for first two years (from Jan. 1, 1932 to Jan. 1, 1934) suspended, being payable in 5 equal installments commencing July 1, 1937; interest for the third and fourth years may be suspended if necessary, and be payable in 5 annual installments commencing July 1, 1939 or July 1, 1940 respectively, bondholders having the right before Sept. 1, 1934 or 1935 respectively to accept common stock in lieu of one year's interest on the basis of 5 shares for each $1,000 of bonds held; interest on all overdue interest payable at 6 per cent per annum. Company has the right to anticipate payment of the whole or any part of the suspended or deferred interest at any time upon 30 days notice.

Dividend Record—

None at present. 25c. paid quarterly April 1, 1928, to Oct., 1929, on old stock; none since.

Officers and Directors—

Officers — Kenneth S. Maclachlan, pres.; Donald Fraser, vice-pres.; T. A. Hendry, vice-pres. i/c sales; L. M. Sherwood, vice-pres. i/c finance, treas. and sec.; W. Matheson, vice-pres. i/c properties, Edmundston, N.B.; A. W. Brebner, vice-pres. i/c subsidiaries, Campbellton, N.B.; H. H. Henderson, asst. treas.; H. C. Noseworthy, asst. sec.

Directors — Kenneth S. Maclachlan, Harold Crabtree, A. H. Campbell, A. M. Irvine, Hon. C. A. Dunning, Montreal, Que.; Donald Fraser, Plaster Rock, N.B.; Lt.-Col. R. F. Massie, E. G. Long, Toronto, Ont.; Fred C. Beatteay, Saint John, N.B.; R. B. Hanson, Fredericton, N.B.

Executive Committee — Harold Crabtree, chm., Lt.-Col. Robert F. Massie and K. S. Maclachlan.

Voting Trustees—Bondholders: J. A. Ewing, I. W. Killam, Montreal, Que.; Lt.-Col. R. F. Massie, John Appleton, Toronto, Ont.; H. P. Robinson, Saint John, N.B. Noteholders: Hon. Gordon W. Scott, Harold Crabtree, Arthur Jones, Montreal, Que.; Hamilton Cassells, Toronto, Ont.; S. Kilpatrick, London, Eng.

Times Bond Interest Earned:*

	1933	1932
Restigouche Company, 6% mtge. bonds, due 1948:		
Before depr. & depl.	2.43	nil
After depr. & depl.	0.72	nil
Fraser Companies, 6% mtge. bonds, due 1950:		
Before depr. & depl.	0.84	nil
After depr. & depl.	nil	nil

* Including accrued interest on deferred bond interest. Calculated after bank interest deducted.

Seven Years Earnings—

Year	‡Earnings	Dividends	Surplus
	$	$	$
1927	1,672,954	362,750	1,582,165
1928	1,765,154	371,179	1,599,710
1929	*1,419,961	301,048	937,901
1930	*278,289	....	†3,281,570
1931	*1,382,341	....	†5,467,374
1932	*111,477	....	♦3,250,945
1933	*1,115,541	....	▲2,635,496

* Includes Restigouche Co.

† Deficit.

‡ After taxes and provision for bad debts.

♦ Of which $750,945 is attributed to capital and $2,500,000 is attributed to surplus after deducting loss for year.

▲ Of which $756,600 is attributed to capital and $1,878,896 is attributed to surplus.

Market Record—

	*1934 H	*1934 L	1933 H	1933 L
Common	12½	3	3	2¼
Vot. Tr. Cert.	9	2⅜	.	.

* To September 19.

RESTIGOUCHE COMPANY
(Owned by Fraser Companies)

Capitalization—	Authorized	Outstanding
Common ..... n.p.v.	250,000 shs.	250,000 shs.

Pledged as security for parent company's general mortgage bonds.

Funded Debt—

Prior lien bonds, 6 per cent, due 1942, authorized $500,000; none issued.

Mortgage S. F. bonds, 6 per cent, due 1948.

Authorized $4,846,000. To the authorized amount, which is issued, is added deferred interest from Feb. 1, 1932, to Dec. 31, 1933, $557,290, plus accrued interest on the deferred interest, $23,988, making a total of $5,427,278 outstanding as at Dec. 31, 1933.

Interest payments for first two years (from Feb. 1, 1932 to Feb. 1, 1934) have been suspended, being payable in 5 equal installments commencing Aug. 1, 1937; interest for the third and fourth years may be suspended if necessary, and be payable in 5 annual installments commencing Aug. 1, 1939 or Aug. 1, 1940 respectively, bondholders having the right before Oct. 1, 1934 or 1935 respectively to accept common stock of Fraser Companies Ltd. in lieu of the one year's interest on the basis of 5 shares for each $1,000 of bonds held; interest on all overdue interest payable at 6 per cent per annum. Company has the right to anticipate payment of the whole or any part of the suspended or deferred interest at any time upon 30 days notice.

Interest due on Aug. 1, 1934, was paid.

Officers and Directors—

Officers — Kenneth S. Maclachlan, pres.; A. W. Brebner, vice-pres. and gen. mgr.; T. A. Hendry, vice-pres. i/c sales; L. M. Sherwood, sec. & treas.; H. H. Henderson, asst. treas.; H. C. Noseworthy, asst. sec.

Directors — Kenneth S. Maclachlan, A. Jones, H. J. Symington, I. W. Killam, Harold Crabtree, Montreal, Que.; A. W. Brebner, Campbellton, N.B.; Hamilton Cassells, Lt.-Col. Robt. F. Massie, Toronto, Ont.

Times Bond Interest Earned:†

	1933	1932
Before depr. & depl.....	1.03	0.26
After depr. & depl......	0.64	nil

† Including accrued interest on deferred interest. Calculated after bank interest deducted.

Three Years' Earnings—

Year	*Earnings	Dividends	Surplus
	$	$	$
1931	104,482	......	†2,015,417
1932	138,270	......	†2,933,122
1933	359,508	......	†3,044,566

* After taxes and provision for bad debts. †Deficit.

Fraser Paper
(Owned by Fraser Companies)

Funded Debt—

The company is authorized to issue $4,000,000 of 6 per cent first mortgage bonds, of which $2,500,000 have been issued and are pledged as part security for parent company's bonds. An issue of $7,500,000, 6 per cent general mortgage bonds is also pledged as security for parent company's. bonds.

ST. REGIS PAPER

Development Plan for Quebec Area Still in Abeyance

Several years ago St. Regis Paper Co. of Canada announced its decision to go ahead with expansion plans of some magnitude in order to more fully exploit its timber leases in Quebec. This plan was never carried out owing to the unsettled state of the newsprint market, and operations today are of a very limited character.

At one time the company engaged in fairly extensive pulpwood operations, the pulpwood being shipped by water to the parent company's plants in New York State. In recent years, however, there has been little or no activity.

Practically all of the company's outstanding capital stock is owned by the St. Regis Paper Co. of New York.

Capitalization—	Authorized	Outstanding
Common .... Par $5.	$500,000	$500,000

All owned by St. Regis Paper Co., New York.

Funded Debt—

Serial debentures 6½ per cent, dated Jan. 1, 1924; due $75,000 annually to June 1, 1933; $825,000, 1934; outstanding $825,000.

Officers and Directors—

Officers—H. E. Machold, pres.; C. E. Norris, vice-pres.; R. K. Ferguson, vice-pres. and sec.; C. B. Martin, treas.

Directors—F. L. Carlisle, New York; R. K. Ferguson, Great Neck, L.I.; C. E. Norris, Irvington, N.Y.; H. E. Machold, Scarsdale, N.Y.; C. B. Martin, R. B. Maltby, Bronxville, N.Y.; W. K. Dick, New York; C. R. McMillen, Orange, N.J.

Capital Totalls $559,000,000

Total capital invested in the manufacturing part of the pulp and paper industry in 1933 was $559,265,544 compared with $597,550,013 in 1932, a decrease of 6 per cent. Only capital invested in operating mills is included in these totals.

Employ 23,020 Workers

Last year the pulp and paper industry employed 23,020 workers, to whom salaries and wages totalling $26,591,049 were paid. Nearly half of the employees, and about the same ratio of salaries and wages, are credited to Quebec.

HOWARD SMITH PAPER MILLS

Leading Fine Paper Producer Making Progress in Consolidating Position — Improvement Noted, But Dividend Action Unlikely for a Time

Demand for Howard Smith Paper Mills' products in the last few years declined to such an extent that net earnings were insufficient to cover dividends on the capital stock. In the early part of 1931, the dividend on the preferred stock was passed. No dividends have ever been paid by the present company on its common stock. Though earnings have not been particularly satisfactory, it is noted that the management has been steadily strengthening the company's balance sheet position. Bank loans and other liabilities have been reduced and working capital strengthened.

Reports are that current operations of the company are on a better basis and that earnings for 1934 will be better than in 1933, when the company earned $4.04 on its preference stock. It is unlikely, however, that the management will give consideration to a resumption of dividends on the preferred stock during the present year.

Slight Gain in Income

Howard Smith's income account for 1933 showed a net profit available for dividends amounting to $161.277. The consolidated statement, covering the accounts of various subsidaries, shows a balance available for dividends of $181,602. This compares with $127,168 and $7,258 in 1932 and 1931, respectively.

While the parent company has been able to strengthen its position, its subsidaries have not done so well. Their earning power has been limited and, in addition, Howard Smith Paper Mills has undertaken contingent liabilities in respect to these subsidiaries, aggregating approximately $600,000.

Over the last two or three years the management of Howard Smith Paper Mills has devoted its attention to co-ordinating the different units going to make up the consolidated organization and, at the same time, strengthening finances. Progress has been made in this work, as is seen by an examination of the consolidated balance sheet.

Better Trend Now

This work has not been completed but the company has placed its manufacturing facilities and finances in position to take full advantage of an upswing in business conditions. The demand for its products follows closely the trend in business. In recent months this trend has been upward and with production costs reduced to a low point, earning power has been on a better scale.

Market interest in Howard Smith Paper Mills' securities has not been particularly active for some time. The common stock, on which no dividends have ever been paid, seldom makes its appearance. Preferred stock is traded in occasionally, while the bonds have a fairly broad market.

Capitalization—	Authorized	Outstanding
Common .... No par value.	300,000 shs.	220,000 shs.
Pref. cum. red. .. Par $100.	$7,500,000	$4,500,000

Funded Debt—

1st mtge. S. F. gold bonds or debentures, 5½ per cent, due 1953, outstanding, series A, $6,729,000.

Dividend Record—

Preferred—None at present. Entitled to 6 per cent per annum, payable quarterly, Mar., June, Sept. and Dec. 1. Cumulative from June 1, 1928. Initial payment made on Sept. 1, 1928, and regularly up to and including March 1, 1931. Dividends deferred since.

Common—None paid.

Officers and Directors—

Officers — Harold Crabtree, pres.; E. Howard Smith, vice-pres. and man. dir.; George Pauline, vice-pres.; E. K. Robinson, vice-pres.; K. G. Pendock, sec. and treas.; M. G. Peterkin, asst. sec. and asst. treas.

Directors—Harold Crabtree, E. Howard Smith, Sir Herbert S. Holt, E. R. Decary, J. W. Pyke, Howard Murray, George Chahoon, Jr., George M. McKee, W. D. Robb, W. H. Howard, Hon. C. A. Dunning, Montreal, P.Q.; J. H. Gundy, C. L. Burton, Toronto, Ont.

Times Interest* Earned:

	1933	1932	1931
Before depr. & depl.	2.90	1.98	1.79
After depr. & depl.	1.58	1.30	1.11

*And U. S. exchange on bond interest.

Earnings per Share and Dividend Record:

	1933	1932	1931
Pref.: Earned† ..	$4.04	$2.83	$1.16
Paid	nil	nil	‡1.50
Common: Earn.▲ ..	nil	nil	nil
None paid.			

†After deduction of subsidiary preferred and common dividends.

‡Of which only $1.00 is a charge against 1931 operations.

▲After allowing for full year's preferred dividend requirements, and after subsidiary dividends.

Four Years Earnings—

Year	Earnings	Dividends	†Surplus
	$	$	$
1930	1,231,760	382,564	1,294,233
1931	1,101,716	55,104	1,044,728
1932	1,231,598	5,604	1,237,881
1933	1,674,735	5,604	1,410,642

†Before providing for income tax.

Market Record—

	*1934 H	*1934 L	1933 H	1933 L	1932 H	1932 L
Com.	11	4	9¾	1⅛	4	2
Pref.	73	35	40¼	8	27	16

*To September 19.

CANADA PAPER
(Controlled by Howard Smith Paper Mills)

Capitalization—	Authorized	Outstanding
Common* ...... Par $5.	$100,000	$100,000
Preferred cum. .. Par $100.	3,000,000	1,250,000

*Entire issue owned by Howard Smith Paper Mills.

Funded Debt—

First mortgage S. F. bonds, series A, 6 per cent, due 1945, outstanding $1,423,000.

Dividend Record—

Preferred—Entitled to 7 per cent per annum, cumulative, payable Mar., June, Sept. and Dec. 1. Paid regularly to and including Dec. 1, 1930; none since.

Common—None paid.

Officers and Directors—

Officers—Harold Crabtree, pres.; E. K. Robinson, vice-pres. and gen. mgr.; K. G. Pendock, sec.-treas.; M. G. Peterkin, asst. sec.-treas.

Directors—Harold Crabtree, E. K. Robinson, E. Howard Smith, George M. McKee, Hon. Chas. A. Dunning, F. J. Campbell, Montreal; F. A. Sabbaton, Grand-'Mere, P.Q.; H. B. Donovan, J. H. Gundy, Toronto, Ont.

Times Interest* Earned:

	1933	1932
Before deprec. & depl.	2.21	1.88
After deprec. & depl.	1.04	1.03

*And U. S. exchange on bond interest.

ALLIANCE PAPER MILLS
(Controlled by Howard Smith Paper Mills)

Capitalization—	Authorized	Outstanding
Common .... No par value.	200,000 shs.	100,000 shs.
Preferred ...... Par $100.	$3,000,000	$1,003,500

85 per cent of the common stock is held by the Howard Smith Paper Mills.

Funded Debt—

The company has no funded debt of its own, but its subsidiaries have the following outstanding bonds:

Georgetown Coated Paper Mills, 1st mtge. S. F. bonds, 6½ per cent, due 1947, outstanding $171,600.

Ritchie & Ramsay, 1st mtge. S. F. bonds, 7 per cent, due 1944, outstanding $158,900.

Lincoln Pulp & Paper, 1st mtge. S. F. bonds, 7½ per cent, due 1942, outstanding $663,900.

CANADIAN CELLULOSE
(Wholly owned by Howard Smith Paper Mills)

Capitalization—	Authorized	Subscribed
Preferred .... Par $100.	$1,000,000	$300,000
Common .... No par value.	10,000 shs.	5,000 shs.

Funded Debt—

First mortgage S. F. bonds, 7 per cent, due 1951, outstanding $479,500. Held by banks as additional security for loans.

DONNACONA PAPER COMPANY LIMITED

SITUATED on tide-water at the junction of the Jacques Cartier and St. Lawrence Rivers, Donnacona Paper Company is in an advantageous position both as to accessible wood supplies and the transportation of raw materials and the finished products.

DONNACONA NEWSPRINT enjoys wide consumer acceptance for its high quality — the product of plant efficiency.

DONNACONA INSULATING BOARD — manufactured in a thoroughly modern mill — is meeting increasing demand in the markets of the world.

The company's executive is alert to improving business trends and to the sound management of the company's resources.

TIMBER RESERVES — Approximately 4,250,000 standing cords of pulpwood.
NEWSPRINT CAPACITY — 230 tons daily.
SULPHITE PULP — Annual capacity 30,000 tons.
GROUNDWOOD PULP — Annual capacity 75,000 tons.
INSULATING BOARD — Annual capacity 45,000,000 sq. ft. standard half inch board.

OFFICERS
ROBERT P. KERNAN, *President*
HON. GEORGE PARENT, K.C., *Vice-President*
LOUIS W. MICHAEL, *Secretary-Treasurer*
DIRECTORS: Robert P. Kernan, Hon. George Parent, K.C., Sir George Garneau, Hon. W. Gerard Power, A. C. M. Thomson, K.C., Quebec; A. P. S. Glassco, Montreal.

Head Office:—65 St. Anne St.—Quebec
Mills—DONNACONA, Que.

SIDNEY ROOFING

B. C. Operator Engaged in Producing Roofing Specialties

Sidney Roofing and Paper Co., operating at Victoria and Vancouver, is a privately-owned concern which does not issue a statement regarding its finances or operations.

There is no public investment interest in the enterprise, capital having been supplied privately. Plants operated by the company have a daily capacity of 10 tons of groundwood pulp and 25 tons of boxwood, paper, felt, building and roofing papers.

Marketing is confined largely to the Pacific Coast and on this account its products are not well known in other parts of the Dominion.

Capitalization—	Issued
Preferred 7%, par $100	$350,000
Common, par $10	10,000 shs.

Newsprint in the Lead

Newsprint paper made up 84 per cent of the total reported tonnage of paper manufactured in 1933. The Canadian production of standard newsprint was double that of the United States last year.

Add to Trade Balance

Gross contribution to a favorable trade balance resulting from the activities of the pulp and paper industry as a whole in 1933 amounted to approximately $94,832,603.

GREAT LAKES

Company Operating Under Receivership — Liquid Position Improved

Great Lakes Paper Co. has been in the hands of a receiver since July 13, 1931, with the National Trust Co. directing operations. During the present year, it is understood, the company has been improving its liquid position, without the necessity of making bond interest payments, these being in default. There appears to be no possibility of resuming such payments until re-organization plans have gone further.

Valuable Property

The recent price of around 40 for the first mortgage bonds places a value of $4,000,000 on the property. Current assets are estimated to amount to $1,000,000 and various other assets are estimated to be worth over $20,000,000. In a re-organization, therefore, especially since the company is a low cost producer, and conflicting interests are few, it is believed that bondholders may come out better than in some other newsprint situations.

The company is currently operating its plant at 325 tons of newsprint daily and expectations are for a very fair rate in the remainder of 1934. On these operations, the company is still believed to be making a profit despite the disappearance of the premium on U. S. funds which bulked so large in previous statements.

Low Cost Producer

The company owns a low cost newsprint mill of 100,000 tons annual capacity, located at Fort William, and has timber and pulp wood limits under lease sufficient to supply the needs of the mill operating at capacity for about a year.

Formerly, the company marketed its products through the Minnesota and Ontario Paper Co., but this alliance no longer exists and Great Lakes Paper Co. is now in a position to secure and execute orders of its own.

Plans for re-organization have been discussed but up to the present the time has not been considered opportune. This situation has been helped by new bankruptcy laws in the United States but unstable prices, it is stated, still make it impossible to determine the earning basis on which a re-organization plan could be based.

Capitalization—	Authorized	Outstanding
Common ..... n.p.v.	750,000 shs.†	750,000 shs.
Pref. 6% cum. .. Par $100.	$10,000,000	$10,000,000

† 50,000 preferred shares held by receiver of Minnesota & Ontario Paper Co. Balance of preferred stock and all common stock held by the Backus-Brooks Co., Minneapolis, Minn.

Funded Debt—

1st Mtge. S. F. bonds, series "A," 6 per cent, due 1950, outstanding $10,000,000. Interest defaulted Mar. 1, 1931.

Officers and Directors—

Officers—E. W. Backus, pres.; S. W. Backus, vice-pres. and treas.; S. Johnston, sec.

Directors — E. W. Backus, S. W. Backus, R. D. Main, Minneapolis; G. McLean, International Falls, Minn.; D. McLeod, Kenora, Ont.

Bondholders' Protective Committee—Rt. Hon. Arthur Meighen, chairman; A. D. Cobban, J. H. Ratcliffe, Toronto; R. P. Matthiessen, Henry D. Thrall, Louis Lang, Kitchener, Ont.; R. G. Meech, sec., 1710 Canadian Bank of Commerce Bldg., Toronto.

RECEIVER'S PROFIT AND LOSS ACCT.

	July 1, 1933 to Nov. 30 1933*	July 13, 1931 to June 30 1933†
	$	$
Gross prof. on newspr. sales	124,593	‡310,264
Prof. from sale of screen.	4,333	1,742
Salvage & misc. inc..	1,663	4,218
	130,589	316,224
Less: Payments to trustee & receiver & manager	25,000	117,903
Administrative exp.	14,696	81,094
Fire protection—oper. of seaplane	......	5,049
	90,893	112,179
Add: Interest earned .	3,242	21,372
Exch. prem. on U. S. funds	24,596	356,043
	118,732	489,594
Less: Contingent res.	25,000	93,614
Fire & land taxes on timber limits	19,784	85,562
Gross profit before prov. for int. & depr.	73,948	310,418
* 5-months period.	†2-year period.	

‡ After adjustment of wood inventories on hand or contracted for prior to receivership.

MINAS BASIN PULP

N. S. Operator Branches Out Into Other Lines

Minas Basin Pulp and Paper Mills, of Hantsport, N.S., has undertaken a development programme involving an expenditure running into several hundred thousand dollars.

Toward the end of last year the company announced a plan for the construction of a mill in connection with their Hantsport plant, for the manufacture of paper plates, cups and similar articles, for distribution throughout Canada and the British Empire. A subsidiary company has been handled to take care of this new department, known as the Canadian Keyes Fibreboard Co. The plant commenced operations early this year.

Building Power Plant

In order to take care of its increased power requirements, Minas Basin has entered into a contract with Power Corp. of Canada, whereby the latter will undertake to construct a 4,000 h.p. plant near Hantsport.

Minas Basin Pulp and Paper Mill is one of the few pulp manufacturing companies operating in Nova Scotia. Plant comprises a modern groundwood mill having a daily output of about 40 tons of air-dried pulp. Production is marketed with the Scott Paper Co. of the United States.

Big User of Chemicals

Chemicals to the value of $7,255,134 were used in the manufacture of woodpulp in Canada in 1933. This represents an increase of approximately $1,225,000 over that reported in the previous year. Sulphur is the principal chemical used in the manufacture of pulp.

Provincial Paper Limited

Head Office: 388 UNIVERSITY AVE., TORONTO

MANUFACTURING

Book, Writing, Bond and Coated Papers, Sulphite and Groundwood Pulp

Paper Mills at
MILLE ROCHES, ONTARIO THOROLD, ONTARIO
GEORGETOWN, ONTARIO PORT ARTHUR, ONTARIO
Pulp Mill: PORT ARTHUR, ONTARIO

PRICE BROTHERS & COMPANY, LIMITED

A company whose wood supply, hydro-power resources and operating management render it capable of timber, pulpwood, and newsprint production in competition with the world.

HEAD OFFICE—QUEBEC, P.Q.

Mills at
Riverbend Kenogami Jonquière

M. & O. PAPER CO.

Plans for Reorganization Before Courts—Uncertain Prices

Minnesota and Ontario Paper Co. has been in receivership since February 28, 1931. Following fairly recent amendments to U. S. bankruptcy laws, plans for re-organization of the company are under way, but have yet to materialize for consideration of investors.

Prices Weaker

For the year ended Dec. 31, 1933, the receivers of the company, C. T. Jaffray and R. H. M. Robinson, reported that the newsprint tonnage sold produced $830,000 less revenue than an equal amount of tonnage in 1932. Had the same newsprint prices prevailed, there would have been a profit of approximately $185,000 for 1933, they stated, as compared to a loss of $43,792 for 1932. Renewals are reported obtained for all newsprint contracts expired in 1933 and in addition new contracts secured representing a large amount of tonnage. This increased business, it was expected, would materially reduce manufacturing costs.

Last year's gross earnings were $1,418,690 as compared with $2,247,221 for 1932. Selling administration and general expenses while almost $200,000 less than in 1932, amounted to $2,233,322, thus resulting in an operating deficit for the year of $814,632 as compared with a deficit of $178,726 in the previous year. Other income reduced this loss to $644,739 to which had to be added interest charges amounting to $2,297,596 against $3,806,138 the previous year, depreciation of $916,520, loss on sale of capital assets of $1,264,647 and other items which brought the total loss to $5,193,711 as compared with $4,186,508 at the end of the previous year. The balance carried forward amounted to $22,452,872 as compared with $25,924,036 in 1932. Bond interest after depreciation has not been earned since 1929, when it was covered 2.37 times.

Seek Reorganization

The petitioners for reorganization are several large companies in and around Minneapolis. They allege that assets of the company exceed $75,000,000 while liabilities total $43,900,000. Claiming that it is impossible to liquidate claims of creditors without loss, the petitioners have a re-organization plan which they wish to submit to the court. A ruling on this is expected in the near future. E. W. Backus, former president of the company has also petitioned claiming the right as debtor to re-organize the company under U. S. bankruptcy laws. Interests of the bondholders are in the hands of a protective committee.

Big Concern

The company manufactures and distributes newsprint, kraft paper, pulp and lumber. It controls directly or through subsidiaries, mills at Kenora and Fort Frances, Ont., and at International Falls, Minn.

Capitalization—	Authorized	Outstanding
Common	$15,000,000	$10,092,000
Pref. 6% cum.	5,000,000	4,036,000

Par $100.

Funded Debt—

1st mtge. S. F. bonds, 6 per cent series A, due serially 1930 to 1945, outstanding $15,400,000; series B, due 1948, $4,000,000; series C, due 1950, $5,000,000. Interest in default on A and B series since Apr. 1, 1931; on C series since May 1, 1931.

Six per cent gold notes, due Mar. 1, 1931, issued $3,500,000. Principal and interest due Mar. 1, 1931, in default.

In Feb., 1932, holders were advised that all creditors were required to file their claims on or before March 1, 1932.

Town of Kenora debs. due 1936-1942, outstanding $335,000. Secured by special deposit with trustees of $350,000.

National Pole & Treating Co. 6 per cent gold notes, due 1936, outstanding $1,816,080.

Times Interest Earned:

	1933	1932	1931
Before deprec.	nil	0.03	0.10

Five Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	5,339,186	225,360	37,660,554
1929	5,122,818	225,360	39,601,070
1931‡	1,869,236	225,360	36,962,882
1932	†178,726	......	25,924,036
1933	†814,632	......	22,452,872

‡For 14 mos. ended Feb. 28, 1931.
†Loss or deficit.

PRICE BROS. AND CO.

Proposal for Internal Reorganization is Blocked by Preferred Shareholders — Corporate Outlook Unsettled — Operations Fair

Negotiations extending over a period of nearly two years looking toward the rehabilitation of the bankrupt Price Bros. & Co., one of the largest newsprint manufacturers and lumber operators in the Dominion, have come to nought. Corporate affairs of the company are greatly muddled and there does not appear to be any prospect of an early settlement.

It will be recalled that when Price Bros. & Co. got into financial difficulties, the bondholders formed a protective committee, which secured deposit of sufficient bonds to make its decision binding upon them all.

For a time Bowater's paper mills and the Duke-Price Power Co. were actively in competition against each other for control of the property. Plans submitted by the former met with acceptance by the bondholders' committee and an agreement was drawn up whereby Bowaters deposited a large sum of money with a trust company in Montreal as a sign of good faith and the committee agreed to hand over the properties under their control at such time as they were called upon.

Jockey for Position

Then followed attempts to secure approval of the interested creditors and shareholders. In this Bowaters met with failure. In the meantime Duke-Price Power Co. entered into an agreement with Lord Beaverbrook and later with Lord Rothermere. This triumvirate submitted a plan which was turned down by the bondholders, but which the receiver-in-bankruptcy agreed to submit to the creditors and stockholders.

Then came a period of jockeying for position between Bowaters on the one hand, the Duke-Price Power and Lord Beaverbrook and Lord Rothermere on the other hand.

Made a Joint Offer

The "ante" was raise on several occasions by the two groups in an effort to outdo each other in an endeavor to secure approval of the creditors and stockholders. At this point when the competition promised to get out of hand, the four bodies merged their interests and made a joint offer for the internal reorganization of the company. This joint proposal (the bondholders' position remained unchanged as the syndicate were agreeable to carrying out the accepted proposal put forward by Bowaters) was then submitted last June to a meeting of creditors and stockholders.

Opposed by Preferred

The plan was approved by a majority of the ordinary creditors and the common stockholders, but the opposition of a small group of preferred shareholders was sufficient to block the plan.

Consequently the syndicate composed of Bowaters Paper Mills, Duke-Price Power Co., London Daily Express and the Anglo Newfoundland Development Co. was dissolved. So also has been dissolved the agreement between Lord Beaverbrook (London Daily Express) and the Duke-Price Power Co., entered into before the four bodies decided to pool their interests.

Proposal by Hearst

A feature of the meeting last June when the preferred shareholders refused to approve of the plan was the proposal put forward by Royal Securities Corp. and the Hearst Corp. of New York, whereby the former offered to purchase the company's four-machine newsprint mill known as the Riverbend mill, plus machinery, etc., together with a wood supply of 2,500 square miles, also the assignment of the Duke-Price Power contract, all for a consideration of $12,000,000 payable at the rate of $600,000 half yearly. Certain other stipulations were made, but this plan was not approved. Interests representing the Royal Securities and the Hearst Corp. are still working on this scheme and it is possible that more may be heard of the matter before final control of Price Bros. & Co. is decided.

Hold Key Position

Meanwhile Duke-Price Power Co. appears to occupy the key position and will have a great deal to say as to where future control of the property will rest. This company not only has a large claim against Price Bros. as an unsecured creditor, but is also interested in securing control for its own sake.

The position of Duke-Price Power Co. is regarded as more than ordinarily strong and any individual or group seeking control of the property will have to consider the power company in their arrangements.

In so far as operations are concerned, the position of Price Bros & Co. is somewhat better at this time than it was a year ago. The volume of tonnage handled by the company has shown an increase while the market for sawn lumber has been in a much healthier state than for some years past. No particulars have been made public by the receiver-in-bankruptcy as to the current trend of earnings, but it is unlikely that any large surplus will be shown for the current year after the payment of operating expenses, bank interest and other senior charges.

Capitalization— (Old Company)	Authorized	Outstanding
Common	$50,000,000	$42,683,200
Pref. 6½% cum.	10,000,000	6,284,300

Par $100.

Funded Debt—

1st mtge. 6 per cent bonds, series A. due 1943, outstanding $11,061,600. Interest defaulted Aug. 1, 1932.

*Capitalization Proposed by Joint Underwriters—	Authorized	To be Issued
Common stk.	500,000 shs.	433,768 shs.
Red. pref. 5%	$6,284,300	$6,284,300
1st mtge. bonds 6%	†12,389,000	11,061,600
2nd mtge. debs. 6½%	5,000,000	5,000,000
Inc. cert. of indebtedness 5%	‡2,000,000	‡2,000,000

†$1,327,400 can be pledged by new company for loans at not less than 80.
‡Estimated; many claims yet to be proved.
*Turned down at special meeting of preferred shareholders on June 29.

Dividend Record—

Preferred—Entitled to 6½ per cent cumulative, payable Jan., Apr., July and Oct. 1; paid regularly from 1926 to Jan., 1932; none since.

Common—None at present; 2 per cent paid regularly from 1921 to Oct. 1, 1931; none since.

Officers and Directors—

Officers—Major Andrew P. Holt, vice-pres.; G. B. Elwin, sec.

Directors—A. J. Brown, Sir William Stavert, V. M. Drury, W. P. Creagh, C. S. Richardson, G. Porteous, A. H. Lang, George T. Hardie, Montreal; Major A. P. Holt, Sir Ion Hamilton Benn; Sir Keith W. Price, London, Eng.

Bondholders' Protective Committee—R. H. McMaster, Montreal; Thomas Bradshaw, Toronto; Hon. J. H. Kelly, Quebec; James A. Eccles, Montreal; W. Eugene McGregor, Boston; and M. W. Dodge, New York; secretary, Sherman Damon, 469 St. John St., Montreal.

Preferred Stockholders' Protective Committee—R. H. Collis, London, Eng.; Col. George P. Murphy, Ottawa; Col. I. P. Rexford, H. J. Symington, Montreal; A. C. M. Thompson, Quebec City. Office: 244 St. James St. W., Montreal.

Common Stockholders' Protective Committee—E. R. Decary, A. Gowan, N. R. Macaulay, Hugh MacKay, W. C. Pitfield, Montreal; Robert Kernon, Quebec.

Earnings per Share and Dividend Record:

	*1932	†1932	†1931
Pref.: Earned	nil	nil	$20.65
Paid	....	$6.50	6.50
Com.: Earned	nil	nil	2.18
Paid	....	1.25	2.00

Times Bond Interest Earned:

Before deprec. & depl.	nil	nil	4.69
After deprec. & depl.	nil	nil	2.93

*Seven months ended September 30.
†Year ended February 28.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1927	4,063,211	1,308,664	2,229,911
1928	4,079,573	1,308,664	2,604,055
1929	3,413,715	1,304,329	2,667,146
1930	3,332,798	1,293,402	2,725,174
1931	3,308,954	1,284,983	2,802,420
1932	*583,769	952,933	175,254
1932†	666,150	......	*254,385

*Loss or deficit.
†Seven months ended Sept. 30.

Market Record—

	*1934 H	*1934 L	1933 H	1933 L	1932 H	1932 L
Common	6	.95	4⅝	1	5	1
Pref.	37¼	7	13	4	2	2

*To September 19.

POWELL RIVER

Pacific Coast Producer is Handling Larger Tonnage This Year

Operations of the Powell River Co., operating a newsprint mill in the town of the same name in British Columbia, have been appreciably greater this year than was the case in 1933. No particulars are available as to the trend of earnings, but like other newsprint manufacturers, Powell River is affected by the present low selling price of newsprint. It is to be expected, however that in view of the increased production the financial returns for 1934 will be on a somewhat larger basis than was reported for 1933.

In recent years the Powell River Co. has expended large sums on capital account. In addition to enlarging its productive equipment, the company established a large hydro-electric development on Lois River to take care of the increased needs of the newsprint plant.

MERSEY PAPER

Maritime Concern Operates Mill on Capacity Basis

Mersey Paper Co., owning and operating a pulp and newsprint enterprise at Liverpool, N.S., has been one of the few newsprint operators on the American Continent to maintain capacity operations over the past two years.

Due to its location on tidewater, low cost power and a favorable wood supply, Mersey Paper has been in a position to meet competition and to secure for itself a volume of business permitting production which in time has exceeded the rate of capacity.

Like other companies in the newsprint business, however, Mersey Paper has suffered from the low price of newsprint. This has not prevented the company, however, from operating on a profitable basis. Since its establishment in the latter part of 1928, the company has been able to take care of interest on its bonds and loans, as well as setting aside a substantial amount for depreciation. If the manufacturers are successful in securing an increased price for newsprint by the end of the year, Mersey Paper will then be able to show substantial earnings on its preferred and common stock.

Tidewater is Helpful

Mersey Paper markets its products in the Maritimes, Great Britain, Australia, New Zealand, the West Indies, the United States and other foreign countries. Shipments to the Atlantic seaboard are handled by the company's own fleet of boats, while specially chartered steamers are used for other foreign shipments. In addition, rail transportation is used extensively.

Last year Mersey Paper reported net earnings of $881,025. After taking care of interest charges, the balance was written off to depreciation. The balance sheet at the end of last year showed a strengthening compared with that of 1932. Bank loans under Section 88 were reduced from $871,670 to $661,000 while the bank loan of $2,930,000 secured by first mortgage bonds was brought down to $2,810,000. Largely offsetting this, however, was the appearance of a bank loan of $275,000 secured by notes receivable.

Capitalization—	Authorized	Outstanding
Common N.p.v.	150,000 shs.	150,000 shs.
Pref. cum. red.	$5,000,000	$5,000,000

Par $100.

Funded Debt—

1st mtge. S. F. bonds, due 1954, authorized $10,000,000. $4,845,500 outstanding and deposited with bank as collateral security for loan of $2,810,000.

General mtge. bonds, series A, 6 per cent due 1949, outstanding $1,933,000.

Dividend Record—

Preferred—Entitled to 6½ per cent per annum, cumulative from July 1, 1930; payable quarterly, Jan., Apr., July and Oct. 1. None paid to date.

Common—None paid to date.

Officers and Directors—

Officers—Col. C. H. L. Jones, pres. & gen. mgr.; J. McG. Stewart, vice-pres.; T. M. Ratchford, sec. and treas.

Directors—Col. C. H. L. Jones, J. McG. Stewart, Col. J. L. Miller, P. R. Jack, J. C. MacKeen, Halifax, N.S.

Times All Interest Earned:

	1933	1932	1931
Before deprec.	2.18	1.92	2.43
After deprec.	1.00	1.00	1.87

Earnings per Share:

Preferred	nil	nil	$6.67
Common*	nil	nil	0.06

*After deducting full year's preferred dividend requirements; no account taken of arrears.

JAMES MACLAREN

Two Machines Operated as Business Shows Increase

James MacLaren Co., owners and operators of a 250-ton daily capacity newsprint mill at Masson, P.Q., are reported to have carried on operations at a profit to date. This company was one of the last to install newsprint and manufacturing equipment. The plant was completed at a time when the newsprint industry was definitely on the down-grade. Arrangements were made with St. Lawrence Paper Sales Corp., whereby the latter would handle the output of the plant, but about the middle of last year the company cancelled the arrangement and established its own paper selling unit. This arrangement is said to be more satisfactory and has resulted in an increased volume of business, sufficient to permit the company to operate two machines.

For the short time, earlier in the year, operations at the plant were affected by a strike, due to the agitation of pulp and paper makers in different parts of the country for higher wages. The strike was short-lived, however, the men being back at work within two days.

Newsprint operations of James MacLaren are tied in with the larger scheme of the MacLaren Power and Paper Co., which, in addition to James MacLaren, controls extensive lumber operations and the MacLaren-Quebec Power Co.

MACLAREN POWER AND PAPER

Officers — Albert Maclaren, pres.; Alexander Maclaren, vice-pres.; J. A. Bryant, sec.; J. T. Black, treas.

Directors—Albert Maclaren, Alexander Maclaren, R. M. Kenny, T. F. Kenny, C. H. Maclaren, J. R. Maclaren, J. T. Black, J. A. Bryant, J. N. Copping, C. R. Morrison.

Capitalization—	Authorized	Issued
Common	750,000 shs.	500,000 shs.

Funded Debt—

None, but MacLaren-Quebec Power Co., subsidiary, has outstanding $12,000,000 5½ per cent first mortgage bonds, series A, due 1961.

Dividend Record—

In 1931 the sum of $175,000 was paid which is equivalent to $0.35 per share. None reported in 1932; none paid in 1933.

CONSOLIDATED INCOME & SURPLUS ACCOUNT ‡

	Year Ended Nov. 30 1933 $	▲Period Ended Nov. 30 1931 $
Earns. from oper.	866,686	746,274
Less: Depr. & depl.	170,377	178,685
Bond & other int.*	698,333	458,333
Net profit	†2,024	109,256
Less appropriations:		
Dividends paid	....	175,000
Deficit for year	2,024	65,744
Add: Prev. surplus	639,077	674,468
Less: Prov. inc. tax 1932	456	....
Newsprint price adj. 1932	37,734	......
Capital surplus	3,978	......
Bal. car. forward	594,885	608,724

† Deficit.
* Less amount charged to capital construction.
▲ Being a full year's operation of The James Maclaren Co. and eleven months operations of Maclaren-Quebec Power Co.
‡ Maclaren Power & Paper Co. (including its subsidiaries, the James Maclaren Co. and Maclaren-Quebec Power Co.)

Times Interest† Earned—

Before depr. & depl.	1.24	1.63
After depr. & depl.	0.99	1.24

† Less amount charged to capital construction.

JAMES MACLAREN
(Controlled by Maclaren Power & Paper Co.)

Capital Stock—Common only; all, except directors' qualifying shares, owned by Maclaren Power and Paper Co. No funded debt.

BATHURST POWER
and PAPER COMPANY
LIMITED

BATHURST, New Brunswick

Manufacturers of

Newsprint Paper
Kraft Fourdrinier
Board
Sulphite Pulp

●

Direct Rail or Ocean Transportation

CABLE ADDRESS
"WONGAN"
Codes A.B.C. 5th
"Western Union" Five Letter

PROVINCIAL PAPER

Provincial Paper Company, manufacturers and distributors of high grade book, bond, coated and writing papers in two plants at Georgetown and one each at Thorold, Milles Roches and Port Arthur, is a strong Ontario company with good operating capital and a record of stable earnings for many years.

In 1933 Provincial Paper Company earned its interest 2.08 times after depreciation and has continued throughout the depression to give a similar performance. The 7 per cent preferred dividend was just earned in 1933 and net earnings showed $7.15 a share but it is understood that earnings have been on a better basis in 1934.

PROVINCIAL PAPER
(Controlled by Abitibi Power & Paper Co.)

Capitalization—	Authorized	Outstanding
Common* n.p.v.	100,000 shs.	100,000 shs.
Preferred 7%	$3,500,000	$3,500,000

Par $100.
* Entire issue held by Abitibi Power & Paper Co.

Funded Debt—

1st Mortgage Bonds, series "A," 5½ per cent, due 1947, outstanding $3,874,500.

Dividend Record—

Preferred, 7 per cent per annum, payable quarterly, Jan., Apr., July and Oct. 1. Initial payment July 1, 1927, and quarterly since.

Common—$1.25 paid in 1930, $1 paid Jan., 1932; none since.

Officers and Directors—

Officers—S. F. Duncan, pres.; T. A. Weldon, vice-pres.; W. S. Barber, sec. and treas.

Directors—S. F. Duncan, T. A. Weldon, G. T. Clarkson, L. R. Wilson, A. F. White, E. R. Wood, W. H. Smith, G. Challes, T. Broadhurst, all of Toronto.

Times Interest Earned—

	1933	1932	1931
Before deprec.	2.52	2.57	3.77
After deprec.	2.08	2.15	2.57

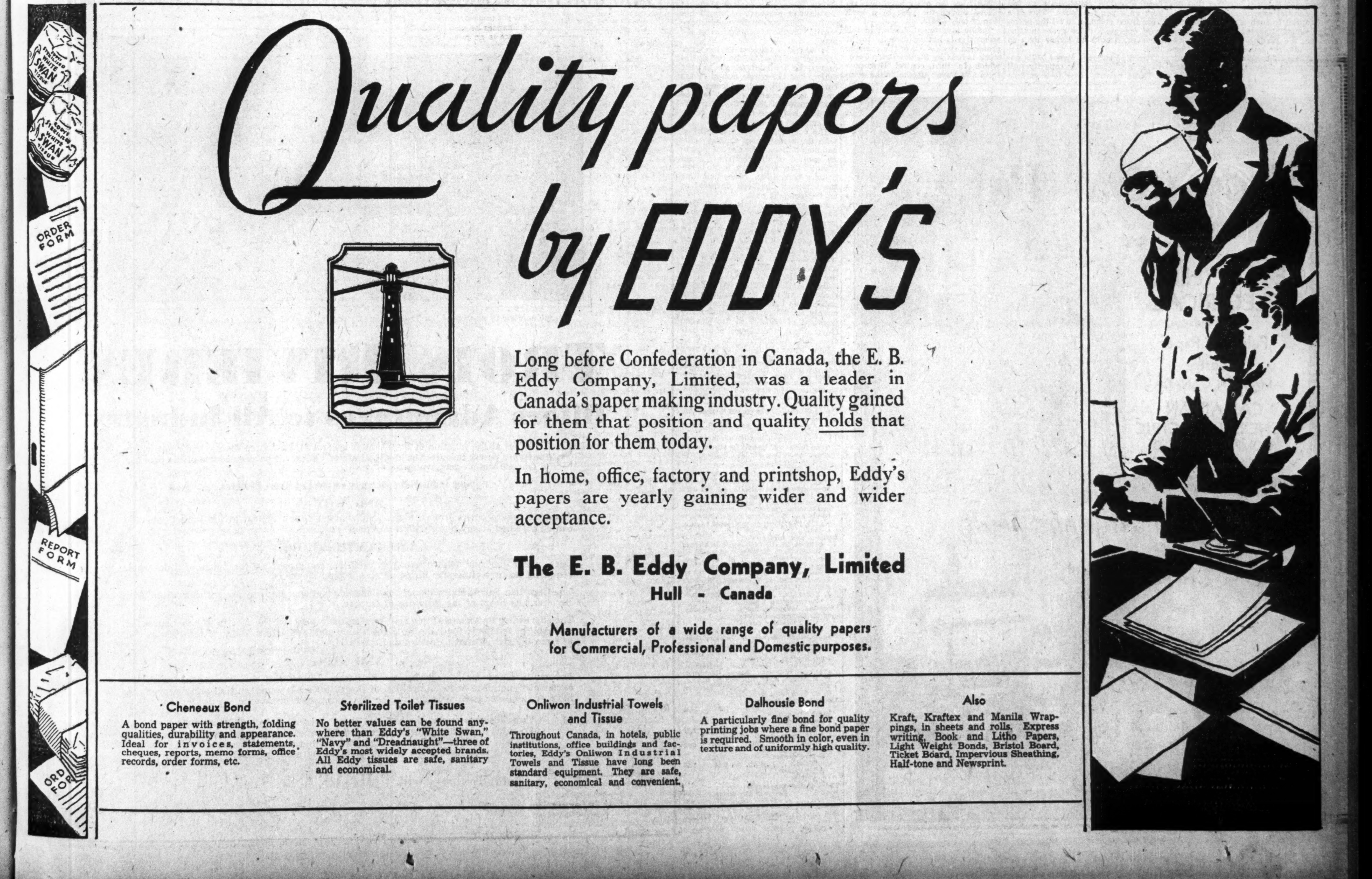
Earnings per Share and Div. Record:

	1933	1932	1931
Preferred:			
Earned	$7.15	$7.87	$9.29
Paid	7.00	7.00	7.00
Common:			
Earned	0.05	0.30	0.80
Paid	nil	1.00	nil

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1927*	774,123	163,333	72,927
1928	1,140,230	245,000	186,775
1929	1,136,088	245,000	526,243
1930	995,747	370,000	672,431
1931	782,784	245,000	752,570
1932	614,678	345,000	682,934
1933	580,864	245,000	688,097

*For 8 months.



Quality papers by EDDY'S

Long before Confederation in Canada, the E. B. Eddy Company, Limited, was a leader in Canada's paper making industry. Quality gained for them that position and quality holds that position for them today.

In home, office, factory and printshop, Eddy's papers are yearly gaining wider and wider acceptance.

The E. B. Eddy Company, Limited
Hull - Canada

Manufacturers of a wide range of quality papers for Commercial, Professional and Domestic purposes.

Cheneaux Bond
A bond paper with strength, folding qualities, durability and appearance. Ideal for invoices, statements, cheques, reports, memo forms, office records, order forms, etc.

Sterilized Toilet Tissues
No better values can be found anywhere than Eddy's "White Swan," "Navy" and "Dreadnaught"—three of Eddy's most widely accepted brands. All Eddy tissues are safe, sanitary and economical.

Onliwon Industrial Towels and Tissue
Throughout Canada, in hotels, public institutions, office buildings and factories, Eddy's Onliwon Industrial Towels and Tissue have long been standard equipment. They are safe, sanitary, economical and convenient.

Dalhousie Bond
A particularly fine bond for quality printing jobs where a fine bond paper is required. Smooth in color, even in texture and of uniformly high quality.

Also
Kraft, Kraftex and Manila Wrappings, in sheets and rolls, Express writing, Book and Litho Papers, Light Weight Bonds, Bristol Board, Ticket Board, Impervious Sheathing, Half-tone and Newsprint.

PACIFIC MILLS

Operations in 1934 Fiscal Year Show Profit on Common Stock

Pacific Mills Ltd., whose main newsprint manufacturing operations are carried on at Ocean Falls, B.C., and a subsidiary paper converting plant operated at Vancouver, reported substantial improvement in its earnings for the fiscal year ended April 30 last. Net profit after all charges, including depreciation and depletion, bond interest and taxes, was $182,808. This compares with $36,242 in the previous fiscal year.

After deducting senior charges, including preference dividends, there was available for the ordinary shares $62,874, or equivalent to 84 cents a share. In the previous fiscal year there was a deficit of $83,692, equivalent to $1.12 a share, after taking care of all charges.

These results were exclusive of profits from the company's own bonds purchased for redemption, which profits were credited direct to earned surplus.

Further improvements in the earning power of Pacific Mills are dependent upon a more satisfactory price of newsprint, a condition which is being experienced by all other newsprint operators.

Capitalization—	Authorized	Outstanding
Pref. 6%	$2,000,000	$1,994,100
Common	7,500,000	7,500,000

Par $100.

Funded Debt—

6 per cent 1st mortgage bonds, outstanding $2,774,200.

Officers—

L. Bloch, chm.; A. B. Martin, pres.; A. J. Lewthwaite, F. N. Youngman, vice-pres.; C. L. Barker, treas.; J. H. Lawson, sec.

Earnings—

For the year ending Apr. 30, 1934, net profit after all charges, including depreciation and depletion, bond interest and taxes, was $182,808. This compares with $36,242 in the previous fiscal year.

After deducting all senior charges, including preference dividends, there was available for the ordinary shares $62,874, equivalent to 84 cents a share. In the previous fiscal year, there was a deficit of $83,692 equivalent to $1.12 a share, after taking care of all senior obligations, including the dividend of $119,634 on the preference stock.

PORT ROYAL PULP

In the early part of this year an arrangement was entered into between Port Royal Pulp and Paper Co., Saint John Municipal Council and the Province of New Brunswick, whereby the necessary finances were arranged so that the pulp plant would be kept operating at least 11 months of the calendar year between 1934 and 1937. The agreement further stipulated that at leas 200 men would be employed.

Under the arrangement the company made a $200,000 issue of four-year mortgage bonds, of which $120,000 has been subscribed for by the Bank of Nova Scotia and the balance by private interests. The bank is protected by guarantees of $60,000 each by the province and municipal council.

Port Royal Pulp mill is operating at capacity. It was closed temporarily in the early part of last December after being successfully operated since it was purchased, reconditioned and started by the present owners. They had to expend a large sum in the purchase of the mill, in alterations, in reconditioning, new materials, in some other improvements and in stock for manufacturing before any financial return was received.

Despite the success attending the company's work it is found that the large initial expenditure had invaded capital to such a degree that unless financial arrangements could be made, the plant would have to remain idle for several months. Consequently financial arrangements were made along the lines outlined above.

ST. LAWRENCE CORP.

Holding Company Stripped of Its Managerial Powers — Decentralization Policy Now in Effect With Subsidiaries

St. Lawrence Corp. has experienced difficulties of one kind and another in the past two years. It has been found by experience that centralization of management is unsatisfactory and to the end of remedying conditions, decentralization was carried out in the past year. This step was undoubtedly hastened by the fact that Lake St. John Power and Paper, one of the company's subsidiaries, was unable to meet its interest payments, with the result that the bondholders' committee stepped in and took over control.

St. Lawrence Corp. originally was the holding company for Brompton Pulp and Paper, St. Lawrence Paper Mills and Lake St. John Power and Paper. It is now a holding company in name only, as the management of the three properties have been segregated. Control of Lake St. John, as already mentioned, has reverted to the bondholders. An executive committee has been set up for Brompton and a similar arrangement made for St. Lawrence Paper Mills.

Brompton Doing Better

Of St. Lawrence Corp's two remaining subsidiaries, Brompton appears to be in the better position. During the first quarter of the current year the Brompton unit reported a substantial profit as compared with a loss in the same period of last year. Since that time Brompton has more than held its position compared with 1933 and expectations are that the operating deficit last year will be turned into a profit for 1934.

"Mills" Short of Tonnage

St. Lawrence Paper Mills is one of those newsprint operators classified as being "short" of tonnage; in other words, the volume of business handled by the company does not permit of a plant operating ratio as great as that recorded by the industry as a whole. The company is handicapped by high wood and power costs, which, combined with a small volume of business does not make for profitable operation. Attempts are now being made to place the company on a more satisfactory footing and much will depend on developments over the next two or three months.

The financial statement of St. Lawrence Corp. is a purely formal affair.

Capitalization—	Authorized	†Outstanding
Common .... N.p.v.	*2,000,000 sh.	569,150 sh.
Pref. A cum. conv. red. .... Par $50.	$15,000,000	$14,831,400

* 13,500 shares reserved against options to subscribe for stock of St. Lawrence Paper Mills Co. and 600,000 for conversion rights of Class "A" preferred.

† Upon completion of exchanges there will be $15,000,000 class "A" and 584,680 common shares outstanding.

Funded Debt—

None.

Dividend Record—

Preferred—Entitled to 4 per cent per annum ($2), cumulative from April 1, 1930, payable Jan., April, July and Oct. 15. Initial dividend of 50c. per share paid July 15, 1930. Payment reduced to 2 per cent (25c. per quarter) with payment due April 15, 1931. Payment due July 15, 1931 deferred; none since.

Officers and Directors—

Officers—N. A. Timmins, chairman; A. K. Cameron, pres.; A. F. White, vice-pres.; A. M. Creighton, sec.-treas.; A. C. Davy, asst. sec.-treas.

Directors—N. A. Timmins, J. I. Rankin, Gordon W. Scott, A. K. Cameron, H. C. Flood, R. W. Steele, Arthur H. Campbell, Montreal; A. F. White, H. H. Horsfall, George R. Cottrelle, Toronto, Ont.

PROFIT AND LOSS ACCOUNT
For Year Ended December 31

	1933	1932
	$	$
Admin charges, net....	*88,951	219,102
Expenses	3,521	....
	92,472	219,102
Assessments charged to subs. cos.:		
St. Law. P. Mills	88,951	86,890
Brompton P. & P.		67,046
Lake St. John P.&P.		65,166
Deficit	3,521	nil

Note:—No consolidated statements were issued for the years ended Dec. 31, 1932 and 1933.

* For corporation management to July 1, 1933.

Market Record—

	*1934 H	*1934 L	1933 H	1933 L	1932 H	1932 L
Com. ...	3½	1½	5⅞	15	1	⅜
Pref. ..	11⅞	5½	12½	1	4	1⅛

* To September 19.

ST. LAWRENCE PAPER MILLS

Small Volume of Orders Causes Operating Losses

Controlled by St. Lawrence Corp.

St. Lawrence Paper Mills, controlled by St. Lawrence Corp., has not done well in the past two years. This has been due to a decline in the volume of business and lower selling price for newsprint. In recent months, however, the position of the company has undergone some improvement due to the allotment to the company of additional tonnage under a pooling arrangement with other producers. The operating ratio for the current year to date has been appreciably higher than that for the corresponding period of 1933.

Net returns to the company on its newsprint sales this year have not been quite as satisfactory as last year on a per ton basis. This is a a condition common to all the newsprint operators. The gross income, however, should be larger than in 1933.

The St. Lawrence Paper Mills operates a 450-ton daily capacity mill at Three Rivers. Due to a variety of causes the volume of business available to this company has steadily declined and reached a serious state last spring, when the company was given additional tonnage at the rate of about 10,000 tons per annum as a result of a pooling arrangement made late in 1933. It is understood that this arrangement expires within the next two or three months. Whether or not further arrangements will be made to provide the company with tonnage remains to be seen.

Record Operating Loss

Last year St. Lawrence Paper Mills had an operating loss of $430,886, as against $286,670 in the previous year. The financial position at the end of the year also showed further weakness. Current assets fell from $1,452,350 to $1,171,233, mainly due to a decline in accounts receivable from $355,707 to $85,274. The increase in current liabilities from $376,451 to $608,136 was brought about by accounts payable going up from $146,478 to $60,511. A bank overdraft of $229,972, on the other hand, was replaced during the year by a bank loan of only $3,625.

Public investment interest in this enterprise is limited directly to the preferred stock. All of the common stock is held by St. Lawrence Corp., which in turn control Brompton Pulp and Paper and holds the common stock capital of Lake St. John Power and Paper Co.

ST. LAWRENCE PAPER MILLS
(Controlled by St. Lawrence Corp.)

Capitalization—	Authorized	Outstanding
Common‡ ... N.p.v.	†1,000,000 sh.	514,675 sh.
Pref. cum. red.. Par $100.	$19,000,000	$14,225,600

† 13,500 shares under option at varying prices.

‡ Upon completion of exchange all these shares will be held by the parent company. As at Dec. 31, 1933, 499,675 shares, over 97 per cent were so owned.

Funded Debt—

None.

Dividend Record—

Preferred—Entitled to 6 per cent per annum, cumulative from April 15, 1928, payable Jan., April, July and Oct. 15; paid regularly until April 15, 1931; when payment reduced to ¾ of 1 per cent; payment due July 15, 1931, deferred; none since.

Common—None paid.

Officers and Directors—

Officers—N. A. Timmins, pres.; A. K. Cameron, chm. of board; A. F. White, vice-pres. and man. dir.; A. M. Creighton, compt. and sec.-treas.; A. C. Davy, asst. sec.-treas.

Directors — N. A. Timmins, H. C. Flood, Arthur H. Campbell, A. K. Cameron, J. I. Rankin, R. W. Steele, Montreal; A. F. White, Toronto.

Earnings per Share and Dividend Record:

	1933	1932	1931
Preferred: Earned	nil	nil	$0.24
Paid	nil	nil	0.75
Common: Earned .	nil	nil	nil

None paid.

Seven Years Earnings—
Year Ended June 30:

Year	Earnings	Dividends	Surplus
	$	$	$
1926	*969,695	200,000	587,460
1927	*1,143,592	200,000	770,478
1929†	*1,430,734	888,770	738,033
1930	*1,389,496	855,000	859,811
1931‡	427,452	106,875	640,134
1932‡	§286,671	....	§944,245
1933	§430,887	....	§1,659,357

* After deduction of all manufacturing and other charges and expenses, including depletion and income tax, but before provision for depreciation.

† May 8, 1928 to June 30, 1929. From date of organization of present company. No statement is available for the period from June 30, 1927, to May 8, 1928. Statements given for previous years are of the predecessor company, St. Lawrence Paper Mills.

‡ Year ending Dec. 31.

§ Loss or deficit.

Market Record—

	*1934 H	*1934 L	1933 H	1933 L	1932 H	1932 L
Pref. ..	26	12	25	2¾	11	1⅜

* To September 19.

LAKE ST. JOHN POWER AND PAPER

Bond Interest is Now Being Earned — Bank Loans Come First

Newsprint production of Lake St. John Power and Paper Co., operating a mill at Dolbeau, Que., has been greater this year than was the case in 1933. To date this year the company has earned its bond interest before depreciation. Bank loans are still outstanding, however, and until such time as they are liquidated, it is not expected that interest will be paid on the company's funded debt.

Since the middle of last year, control of the company has rested with the bondholders' committee. From 1930 up to that time the enterprise was controlled by the St. Lawrence Corp. through ownership of the common stock. In the early part of August, 1932, Lake St. John was forced to default on interest payments following which a protective committee was formed.

Took Away Control

The first mortgage bondholders and debenture holders' committees investigated affairs of the company and found that it was in danger of losing its timber limits and also of having its wood piles seized by the Province of Quebec due to unpaid claims under agreements made at the time of purchase of the timber limits. This eventually would have resulted in the closing down of the plant.

It was also found that the sales contract of Lake St. John, which requires the Hearst interests to take delivery of the entire output of the company's mill, had not been lived up to, the tonnage ordered for the first quarter of 1933 as well as during 1932 had been materially below the contract amount.

The committee were not satisfied with the management arrangements and negotiations were started whereby control of the company passed from St. Lawrence Corp. to the bondholders' committee. Since that time the company has been operated as an independent unit.

Last year operations at the Dolbeau mill averaged 79 per cent of capacity, providing the company with an operating income of $305,944. After providing for depreciation and provision for interest charges, there was a deficit of $418,488. This was approximately $80,000 less than in the preceding year.

Examination of the 1933 balance sheet shows that the company has reduced its bank loans by approximately $90,000, notwithstanding the payment of $297,739 to the Quebec Government in settlement of the balance due on timber limits.

Bank loans at the end of last year amounted to $465,990, the lowest figure reported in the last five years.

LAKE ST. JOHN POWER AND PAPER
(Controlled by St. Lawrence Corp.)

Capitalization—	Authorized	Outstanding
Common ...... n.p.v.	100,000 shs.	†100,000 shs.
Preferred cum. .. Par $100.	$4,000,000	*$3,600,000

* All these shares held by St. Lawrence Paper Mills Co.

† Upon completion of exchange, all these shares will be held by parent company. As at Dec. 31, 1933, 99,246 shares were so owned.

Funded Debt—

1st mtge. S. F. bonds series A, 6½ per cent, due 1947, outstanding $4,711,000. Mtge. debentures, series A, 6½ per cent due 1942, outstanding, $2,822,000. Prior lien bonds, 6 per cent, due 1943, outstanding $600,000. Interest on the bonds and debentures in default since Aug. 1, 1932. Payment postponed to Aug. 1, 1934.

Officers and Directors—

Officers—D. H. McDougall, chairman of board; A. S. McNichols, pres.; H. H. Horsfall, vice-pres.; P. M. Fox, gen. mgr.; C. W. Davison, sec.-treas.

Directors—D. H. McDougall,* H. H. Horsfall,* Col. R. F. Massie,† Toronto; Arthur H. Campbell,‡ A. S. Nichols,† J. I. Rankin,‡ John Stadler*, Montreal.

* Representing bondholders. † Representing debenture holders. ‡ Nominees of St. Lawrence Corporation.

Protective Committees

Bondholders: D. H. McDougall, Toronto, chairman; G. A. Dobbie, Galt; H. H. Horsfall, H. R. Jackman, A. F. White, Toronto; W. S. Lighthall, and John Stadler, Montreal.

Debenture Holders: A. S. McNichols, chairman; Arthur Jones, Montreal; W. H. Marsh, J. W. Mitchell, R. R. Corson, Lt.-Col. R. F. Massie, Toronto; C. C. Cockshutt, Brantford.

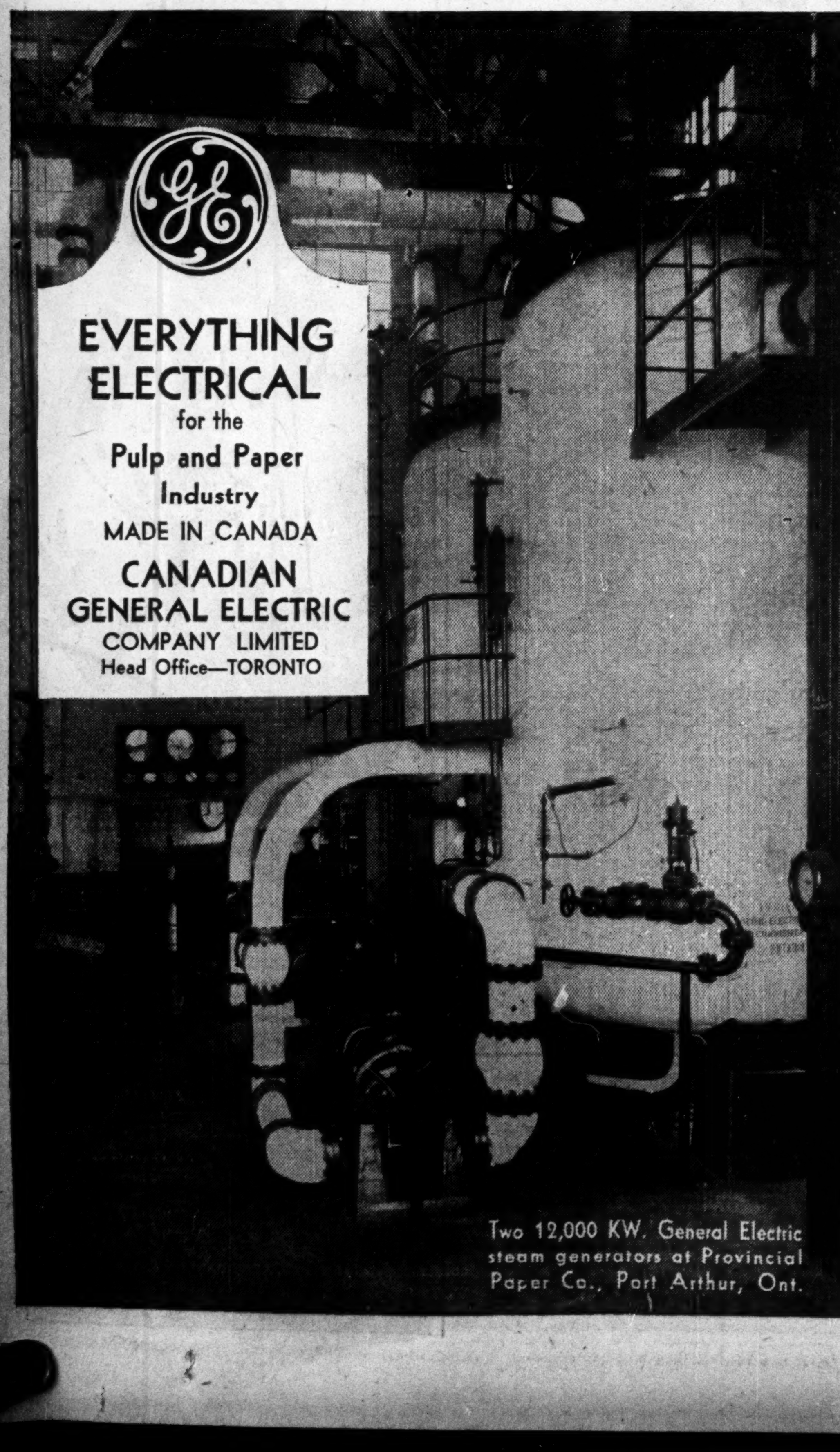
Times Interest Earned—

	1933	1932	1931
Bond interest:			
Before deprec. & depl.	0.99	1.27	1.79
After deprec. & depl.	0.36	0.70	0.97
Debenture interest:			
Before deprec. & depl.	...	0.44	1.35
After deprec. & depl.	...	...	...

Three Years' Earnings—

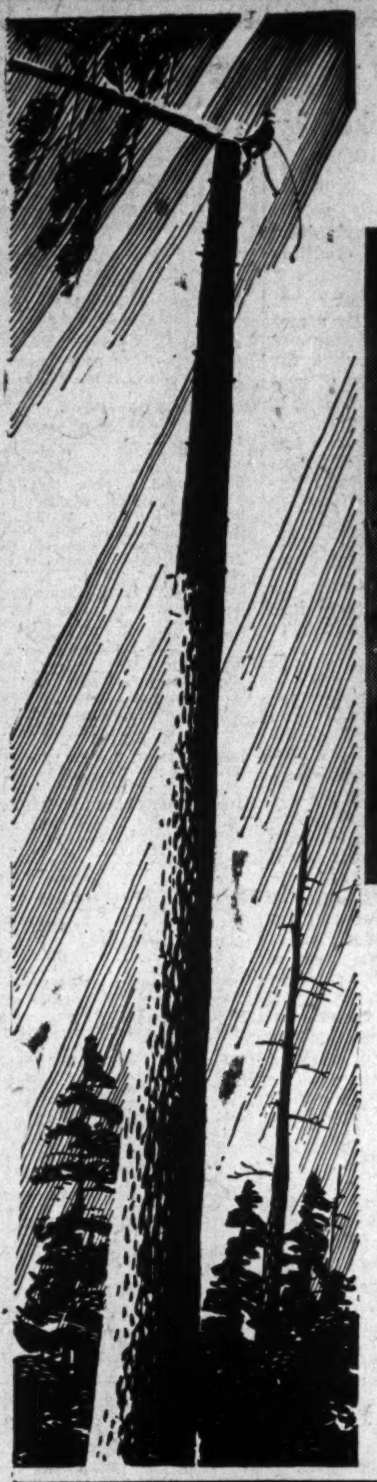
Year	Earnings	Dividends	Surplus
1931	569,963	....	*51,988
1932	388,740	....	*404,738
1933	305,945	....	*773,856

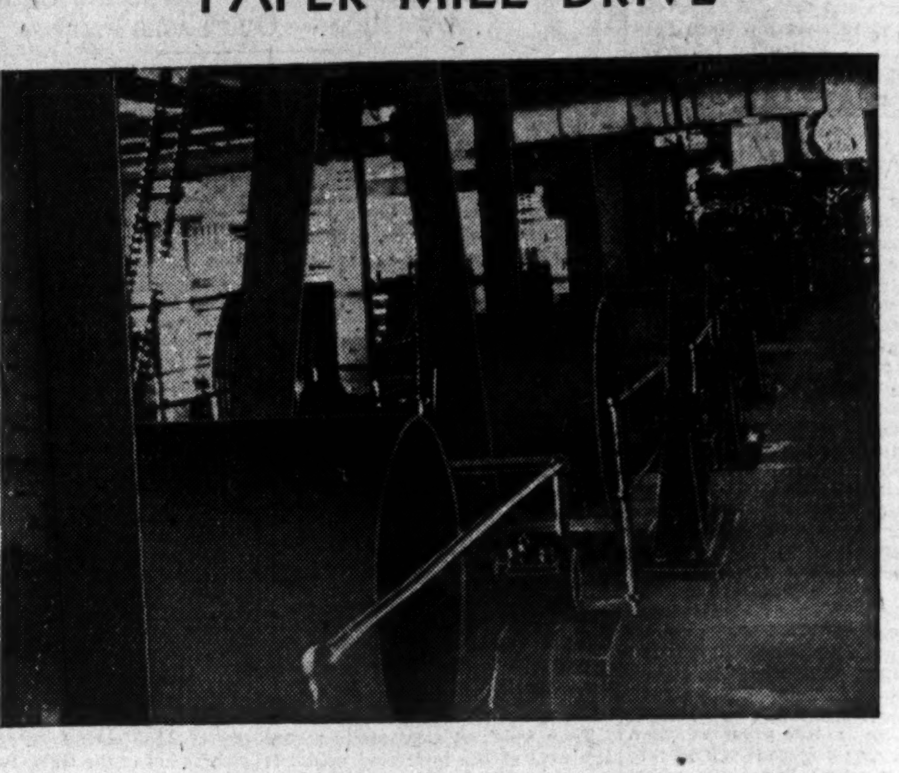
* Deficit.



EVERYTHING ELECTRICAL for the Pulp and Paper Industry
MADE IN CANADA
CANADIAN GENERAL ELECTRIC COMPANY LIMITED
Head Office—TORONTO

Two 12,000 KW. General Electric steam generators at Provincial Paper Co., Port Arthur, Ont.





FOR EVERY PAPER MILL DRIVE—

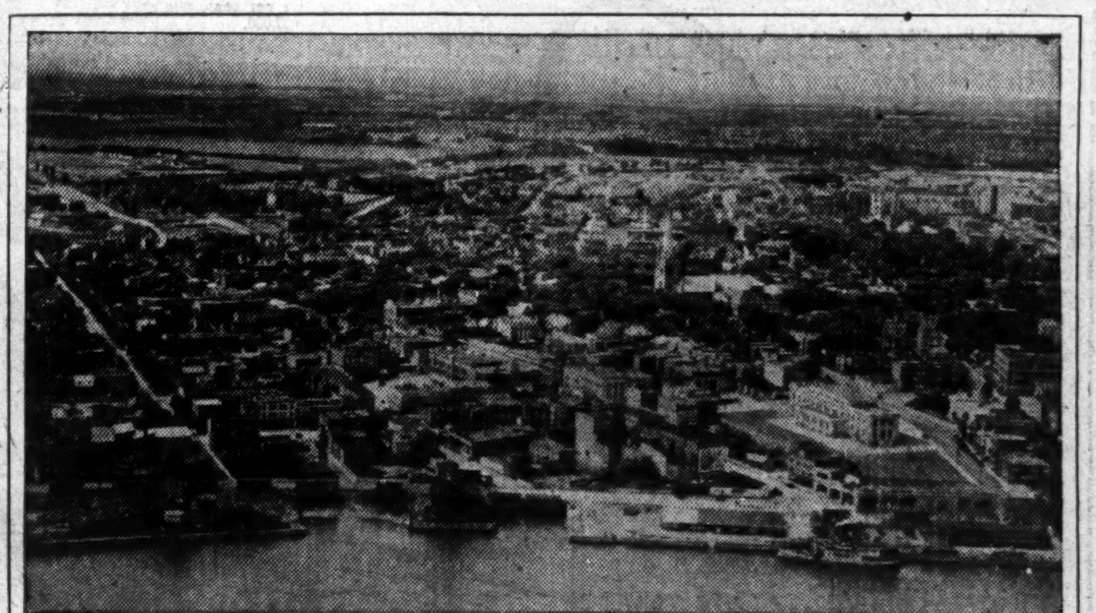
The most efficient transmission belting for paper mill drives is Duraflex — the seamless rubber belting made by Gutta Percha.

Duraflex is a square edge, seamless belting, built ply upon ply of heavy specially woven duck, and a heavy pure-gum cushion of rubber vulcanized under heavy pressure. It is extremely flexible, free from crimping of the inner plies, hugs the pulleys and conforms to crowning no matter how short the centres. Edges are waterproofed, and will not ravel.

Write for a free sample of this better belting, or send us your specifications and we shall be glad to advise you.

GUTTA PERCHA & RUBBER, LIMITED
Head Office, TORONTO, CANADA — Branches from Coast to Coast
The Largest All-Canadian Rubber Company — Founded in 1883
Makers of
"DURAFLEX" TRANSMISSION BELTING

$30,000,000 of industrial plants located in Trois Rivieres



Aeroplane view of portion of Les Trois Rivières. Note splendid deep water transportation facilities.

TROIS RIVIERES
Offers Advantages to All Industry

SITUATED at the junction of the St. Maurice and St. Lawrence Rivers, and right within the hydro power resources of the St. Maurice Valley, at the very centre of the province of Quebec and on deep water harbour —

your industrial success is assured at Trois Rivières.

AND WHY

Abundant hydro power from the great Shawinigan power system at the lowest rate that can be obtained at any place within any point reached.

AND FURTHERMORE

Deep water harbour with thoroughly modern equipment at the head of tide water requiring no tugs either for incoming or outgoing steamers.

The Canadian Pacific Railway and the Canadian National Railway are radiating from Trois Rivières, the heart of the Province of Quebec.

The shortest route through these rails and harbour between the wealth of the Laurentian and Abitibi territory, the Lake St. John Valley and the Eastern States of America; as well as from the rich Western Prairies and Europe.

AND ALSO

Labour is noted for its steadiness. Religious, educational and residential needs are excellently met. The financial position of Trois Rivières is sound; surplus and reserve funds have accumulated each year during the last years notwithstanding the depression.

Trois Rivières is also the home of the Provincial Pulp and Paper School. Founded in 1922, and maintained by the Quebec Government and the City of Trois Rivières, this school is playing an increasingly important part in training personnel in the making of pulp and paper products.

Your Industry will THRIVE in Les Trois Rivieres

For information write the Mayor of the City of Trois Rivières, Province of Quebec, Canada

QUEBEC PULP

Price Bros. Troubles Block Capital Revision

Plans for the revision of the capital structure of Quebec Pulp and Paper Corp. have been on the tape for a long time, but owing to the situation surrounding controlling interests, it has not been possible for the management to carry out the reorganization. Part of the scheme, however, has already been put into effect. The Chicoutimi pulp mills have been sold to the Chicoutimi Mills Ltd., a wholly-owned subsidiary, for the nominal sum of $500,000. Of the other two plants owned by the company, the one at Val Jalbert was dismantled some time ago, while a third plant at Chicoutimi has been in disuse for a long time.

Quebec Pulp and Paper has been operating at a loss for several years. It has large areas of valuable timberlands, but the state of the pulp market for some years has been such as to prevent the company from operating profitably. Consequently the management has centred its efforts on maintaining the property and keeping down overhead costs.

The only public investment interest in this enterprise lies in the preferred stock, of which $7,000,000 is outstanding. The common stock is owned jointly by Price Bros & Co. and Consolidated Paper, the latter having acquired its interest through the absorption of Port Alfred Pulp and Paper. It is due to the troubles surrounding Price Bros. that the plan of reorganization has not been carried through. When the affairs of that company have been straightened out, it is more than likely that Quebec Pulp and Paper will go ahead with its own plans.

Financially Quebec Pulp and Paper is in a satisfactory position. It has cash resources of over $600,000, mostly government bonds.

Capitalization—	Authorized	Outstanding
Common .... N.p.v.	100,000 sh.	100,000 sh.
Pref. non-cum. red. .... Par $100.	$7,000,000	$7,000,000

Common—All held jointly by Consolidated Paper Corp., and Price Bros. & Co.

Dividend Record—

Preferred—7 per cent per annum. None paid to date.

Common—None paid.

Officers and Directors—

Officers—A. Stewart McNichols, pres. and chm.; C. R. Whitehead and Maj. Edward Flynn, vice-presidents; Oswald Brand, treas.; J. M. Carignan, sec.

Directors — A. Stewart McNichols, G. M. McKee, C. R. Whitehead, J. G. Porteous, George Henderson, Montreal; John H. Price, G. B. Elwin, Quebec, P.Q.; Maj. Edward Flynn, Kenogami, P.Q.

CONS. INCOME AND SURPLUS ACCT.
Years Ended December 31

	1933	1932
	$	$
Revenue	40,396	42,473
Non-oper. expense:		
Admin. & gen.	23,911	25,650
Fixed chgs.	188,085	177,115
Plants & misc.	20,968	30,839
Depletion res.	11,790	1,125
Loss before deprec. .	204,358	192,256
Add: Prev. deficit ...	2,959,008	1,093,202
W/o mills & timber lands	......	2,113,441
Contingent res.	......	199,300
Less: Trans. from conting. res.	204,358	......
Capital surplus	......	639,191
Deficit forward	2,959,008	2,959,008

Reached Peak in 1929

The peak value of annual production of the pulp and paper industry was reached in 1929, when output had a value of $243,970,761. From then on annual reductions took place, increasing in proportion up to 1932. The decrease in 1933 was noticeably less than that of 1932.

ROLLAND PAPER

Moderate Improvement in Profits Expected — Operations Stable

Earnings of Rolland Paper Co., fine paper manufacturers, are expected to show a moderate improvement in 1934 Conditions in the last three or four years have not been altogether satisfactory, but owing to the close relationship existing between this company and its customers for more than half a century, sales have been maintained on a relatively high plane.

Operating profits of the company last year totalled $333,871. This compares with $323,764 in 1932. Lower interest charges were offset by an increase in the reserve for depreciation. The balance, however, was sufficient to cover the preferred dividends and leave a small surplus to be carried forward to the credit of profit and loss account.

In so far as the company's financial position is concerned, the balance sheet would indicate a satisfactory state of affairs. Current assets at $1,233,567, exceed current liabilities by $1,073,888.

During the current year common stock purchase warrants attached to the preference shares expired, and according to officials of the company, practically none of the preferred shareholders exercised their option to buy. At the time the preferred stock was offered to the public, the purchasers were given the right to buy Rolland Paper common at a range of from $35 to $40 a share up to June 1, 1934. At no time did the equity back of the common exceed $26 a share, while earnings per share ranged from a high of $2.18 in 1929 to a low of 2 cents a share in 1932; consequently there was little attraction in the offer.

Capitalization—	Authorized	Outstanding
Common .... No par value.	100,000 shs.	60,001 shs.
Preferred cum. .. Par $100.	$2,500,000	$1,500,000

Funded Debt—

1st mtge. S. F. bonds, series A, 5½ per cent, due 1948, outstanding $2,323,000.

Dividend Record—

Preferred—6 per cent per annum, payable 1st March, June, Sept. and Dec. Initial dividend paid Sept. 1, 1928, and regularly since.

Common—None paid.

Officers and Directors—

Officers—S. J. B. Rolland, chm. of board; Jean Rolland, pres.; J. Pierre Rolland, vice-pres.; Olivier Rolland, gen. mgr.; J. A. Forget, sec.-treas.

Directors—S. J. B. Rolland, Jean Rolland, J. Pierre Rolland, W. C. Pitfield, Francis Saint-Pierre, I. W. Killam, H. J. Symington, and A. G. MacKinnon, Montreal, P.Q.; Olivier Rolland, Mt. Rolland, P.Q.; Donald Fraser, Plaster Rock, N.B.

Times Bond Interest Earned—

	1933	1932	1931
Before deprec. ...	2.41	2.21	2.34
After deprec.	1.68	1.63	1.77

Earnings per Share and Dividend Record—

Pref.: Earned	$6.15	$6.06	$7.51
Paid	6.00	6.00	6.00
Common: Earned	0.038	0.02	0.38
None paid.			

Six Years Earnings—

Year	Earnings	Dividends	Surplus
	$	$	$
1928*	‡258,607	45,000	§80,196
1929	‡440,480	90,000	§211,176
1930	†379,358	90,000	281,034
1931	†346,876	90,000	312,204
1932	†323,764	90,000	313,187
1933	†333,871	90,000	315,445

*Seven months ended Dec. 31, 1928.

†After operating expenses, federal and general taxes and provision for bad and doubtful debts.

‡After operating expenses but before income tax.

§Before deduction of income tax.

Heads the Lists

Pulp and paper headed the lists of Canadian industries' wage and salary distribution in 1922 when it replaced the sawmills in this respect and was first in gross value of products in 1925, when it exceeded the gross value of flour mill production.

Increased Prices Fail To Offset Short Crops

Based on indicated agricultural production, farm purchasing power throughout Canada will be "spotty" during the next six months. Many districts both east and west have been hard hit by drought. Speaking generally decreased production will not be completely offset by increased prices, according to information collected by The Financial Post.

Maritime farming regions will suffer from a shortage of hay and low returns from potatoes. The estimated yield of the latter crop is about average, but so far market conditions are unfavorable. Prices have been low for the early crops and there is some concern in Nova Scotia and New Brunswick regarding the Cuban market which has absorbed substantial supplies of Maritime potatoes in past years. New trade treaties with United States may cut off or curtail this outlet. The shortage of hay and pasture due to drought conditions in the Maritime Provinces may seriously reduce dairy production. The apple crop in Nova Scotia is estimated at 1,600,000 barrels as compared with 2,438,000 barrels in 1933 or a decrease of over 30 per cent. It is possible, however, that returns from this crop, which is largely marketed in Great Britain, may be higher per barrel than the rather poor average return for the huge crop sold last year.

Quebec is in a much better position agriculturally than the Maritime Provinces, though production in the Richelieu and Ottawa Valleys has been lowered by drought. Ontario is more irregular than usual. Early crops were short. This includes fall wheat, pasture and hay. Spring grain crops and late fodder crops, however, have been fair to very good. Prices of dairy products are reported as almost as good as a year ago; hogs, an important source of revenue to 60 per cent of Canada's farmers, are substantially higher in price, though there has been no improvement in beef cattle.

Prairie conditions are reported as poor on the whole with conditions still more serious in the old drought areas. Many districts will be dependent on relief. In central and northern Alberta the general farm condition is reported as bright.

In British Columbia a much larger apple crop than a year ago should put considerable new money into interior valley districts.

SPRUCE FALLS POWER

Failed to Earn All Bond Interest First Time During Depression

Spruce Falls Power and Paper Company has the favored situation among producers in Ontario that its output is assured of sale in great part. The company itself is controlled by the Kimberly-Clark Corporation and the latter company has contracted to buy the entire surplus output of sulphite pulp available from its mills, while the New York Times has contracted to purchase from the company its standard newspaper requirements, equal at present to half the mill capacity.

The Spruce Falls Power and Paper Co. mills have a daily capacity of 550 tons of newsprint, 440 tons groundwood pulp and 230 tons of sulphite pulp. The groundwood pulp output is consumed by the paper mill. The latter also takes about 135 tons from the sulphite mill.

The company has long-term leases granted by Ontario on 5,257 square miles of timber limits estimated to have 10,500,000 cords of pulpwood.

The company developed its own power at Smoky Falls on the Mattagami River. It has an ultimate capacity there of 75,000 h.p. Since 1932 the company has not paid preferred dividends but in the year ended April 30, 1934, for the first time bond interest was only partially earned.

Capitalization—	Authorized	Outstanding
Common .... No par value.	200,000 shs.	200,000 shs.
1st pref. cum. 7%	$9,500,000	$8,900,000
2nd pref. cum. 7% Par $100.	5,500,000	5,000,100

Kimberly-Clark Corpn. holds $2,500,000 first preferred; $5,000,100 second preferred, and 102,000 common shares, the balance being held by the New York Times Company.

Funded Debt—

1st mtge. serial bonds, 5½ per cent, due 1930-43, outstanding $11,000,000.

Dividend Record—

Dividends paid regularly to October 1, 1932, on both classes of preferred; none paid since.

Officers and Directors—

Officers — F. J. Sensenbrenner, pres.; J. C. Kimberly, vice-pres.; E. S. Noble, gen. mgr.; G. Barber, treas.; E. Mahler, sec.

Directors — Representing Kimberly-Clark Corp.—F. J. Sensenbrenner, J. C. Kimberly, E. Mahler, Neenah, Wis.; G. Barber, Toronto. Representing the New York Times—A. S. Ochs, A. H. Sulzberger and J. O. Adler, all of New York City.

Times Bond Interest Earned—

Yr. End. Apr. 30:	1934	1933	1932
After depr. & depl.	0.38	1.10	2.64

Earnings per Share and Dividend Record—

First pref.: Earned	nil	$0.36	$12.43
Paid	nil	3.50	7.00
Second pref.: Earn.	nil	nil	9.67
Paid	nil	3.50	7.00
Common: Earned ..	nil	nil	0.67
None paid.			

Six Years Earnings—

Year	Earnings	Dividends	Operating Surplus
	$	$	$
1929	1,178,453	471,445	6,681
1930	2,229,525	973,007	292,271
1931	1,661,021	973,007	72,866
1932	2,049,758	973,007	206,121
1933	763,375	486,504	4,718
1934	241,989	......	†414,305

†Deficit.

WESTMINSTER PAPER

Westminster Paper Co., operating in New Westminster, is reported to be showing still further improvements in earnings this year. Consistent gains over the same period a year ago, it is understood, were shown for the first half of the current fiscal year which ended July 31 last. This improvement, it is reported, has been since maintained.

In addition to meeting all charges on the $300,000 issue of 6½ per cent first mortgage bonds, the company paid 40 cents a share in dividends on its common stock last year. A net profit of $21,579, as compared with $19,970 for the previous year, was reported in 1933 after bond interest, depreciation which was about $15,000 greater than in 1932, and income taxes had been paid.

The company's main plant is located at New Westminster, B.C., and is devoted to the manufacture of paper specialties of a wide variety. Products are sold in Canada and in nearly a score of export markets, including Australia, New Zealand, South Africa and China.

In addition to the Canadian properties, the company controls the Pacific Coast Paper Mills, which carries on a similar business at Bellingham, Washington.

The company has only two classes of capital, namely, first mortgage bond issue of somewhat less than $300,000, interest on which is guaranteed by the city of New Westminster, and 47,789 shares of common stock of the par value of $10 each.

Capitalization—	Authorized	Outstanding
Common .... Par $10.	$500,000	$447,890

Funded Debt—

First mortgage S. F. bonds, 6½ per cent, due 1950; outstanding $283,000.

Dividends—

On Sept. 15, 1931, directors declared a 4 per cent stock dividend, for immediate distribution, fractional shares being adjusted by payment of cash on a 4 per cent basis. In the 1933 fiscal year 40 cents per share was paid.

Officers and Directors—

Officers—J. J. Herb, pres. and mgr.; A. W. Gray, vice-pres.; H. M. Lord, sec.-treas. and purchasing agent.

Directors — J. J. Herb, Bellingham, Wash.; H. M. Lord, J. G. Robson, John Peck, A. W. Gray, New Westminster; C. S. Henley, F. Smith, F. Wright, Vancouver.

Times Interest Earned—

Yr. end July 31:	1933	1932	1931
Before deprec.	4.22	3.15	2.78
After deprec.	2.60	2.36	2.12

Earnings per Share and Dividend Record—

Com.: Earned	$0.45	$0.42	$0.46
Paid	0.40	4% stk.	nil

Riordon Pulp Calls Bonds Under Sinking Fund Terms

From Our Own Correspondent

MONTREAL. — Riordon Pulp & Paper Co. has called for redemption $74,600 of its 30-year 6 per cent first mortgage sinking fund debentures, which normally mature in June, 1942. Payment will be made at the London office of the Westminster Bank, formerly Parr's Bank, or at the head office of the Royal Bank of Canada in Montreal.

At the end of last year Riordon Pulp & Paper Co., which is now owned by Canadian International Paper Co., had outstanding $752,200 of the first mortgage debentures. As a result of the current sinking fund redemption, the debt will be reduced to $677,600. The issue originally amounted to $2,500,000.

Price Bros. and Co. Plan New Rimouski Sawmill

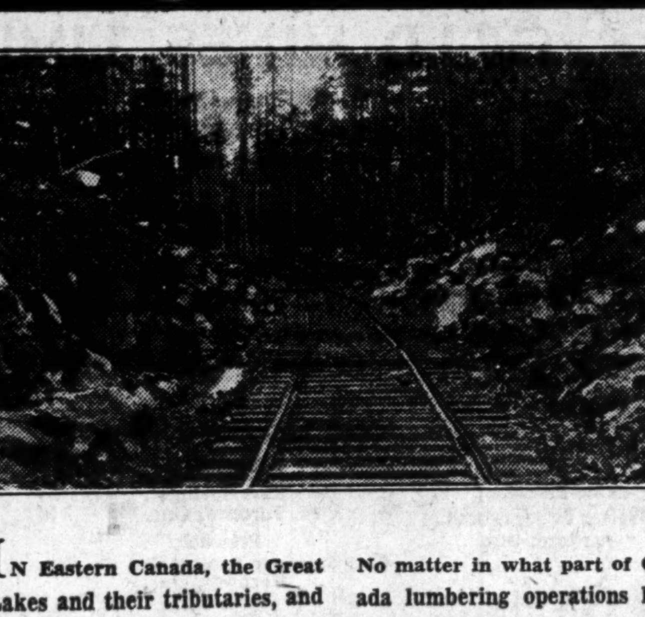
From Our Own Correspondent

MONTREAL.—Price Bros. & Co. plan the early construction of a new sawmill at a spot about twenty miles from Rimouski. The new mill, especially adapted for hardwood sawing purposes, will operate from autumn till spring, employing the majority of the men now engaged in the Rimouski saw mill which functions only during the summer season. Thus a large number of Rimouski men will be assured of getting employment at a time when they would otherwise be idle.

Smaller Decrease in 1933

Considering only the manufacturing aspect of the industry, the gross value of pulp and paper production in 1933 was $123,415,492, a decrease of 9 per cent from the figure for 1932, as compared with a decrease of 22 per cent in 1931 to 1932.

The Romance of Lumbering in Canada



IN Eastern Canada, the Great Lakes and their tributaries, and in the West, the Pacific Ocean afforded an easy and accessible means of the carrying on of logging operations. First of all the trees were felled during autumn and winter and drawn by horses to the rivers and streams, where they were piled on the ice waiting for the spring freshet. When this occurred the "cuts" were carried to the mouth of the river, where they were boomed and branded according to the owner's mark. Mills in these days were located on the river-bank.

Today, power logging operations have reached a high point of development in the Province of British Columbia.

No matter in what part of Canada lumbering operations have been carried on, it is attended with risk and danger. The driving of logs down the smaller rivers, the booming, rafting and shooting the rapids, the operation of high-powered logging machinery have developed a hardy, adventurous class of men.

All the requirements of the lumberman for an efficient explosive are met by C-I-L Explosives. Magazines are maintained at convenient points to assure quick delivery.

ET 170

CANADIAN INDUSTRIES LIMITED
EXPLOSIVES DIVISION
HEAD OFFICE MONTREAL
C-I-L

Saskatchewan Settlers Scoff at Abandonment

Magnitude of Many Suggested Plans for Drought Area Preclude Their Consideration

From Our Own Correspondent

REGINA. — Although numerous plans for the rehabilitation of southern Saskatchewan are brought forward and receive a wide measure of approval, the very magnitude of some of them, and the extent of claims made on their behalf—some of them highly controversial—is getting in the way of consideration and acceptance. Difficulties are created too, by the extent of the problems of immediate relief, and confusion that arises between the emergency action that has to be taken to enable families to survive during the current year, and such more forward looking plans as may relate to the future success of the area in question.

Government energies are, for the moment, absorbed in getting in supplies of feed for livestock that must be carried over in the area in question, in planning to dispose of stock that cannot be carried over, and in organizing the distribution of food, clothing and fuel to families who will be practically destitute without such assistance, the need for which in greater or less measure has now occurred during six successive years, and has become more intense as former reserves have been used up.

Abandonment Not Considered

In fact, one plan for the south area is being applied without any very conscious choice between alternatives. That is, "sticking it out" in the hope that a succession of rainy years will once again restore the productivity of the south country. Any idea of wholesale abandonment of the area in question because, for six years in succession it has had failures of greater or less intensity is scoffed at by residents not only of the district, but of other parts of Saskatchewan.

It will be admitted that there is a good deal of land in the south that should never have been put under the plow, some because it lacks natural fertility, and some because, as a result of land configuration or some other cause, it is exceptionally dry. Much of such land, you will be told, has already been abandoned, and more will be. But the man who has attempted to farm it knows better than any one else the error made, and is likely to pull out of his own accord. The accepted theory appears to be that when a farmer has faith in his own place, and is willing to remain on it in the hopes of better times to come, he should be helped to do so.

Six Years Drought

The principal thing wrong with the south country has been that rainfall has been light during the past six years and that the distribution of the rainfall during the year has been unfavorable. Added to that is the fact that former reserves of moisture in the ground have been exhausted, and that the texture of the top soil has been impaired through much working so that it blows and drifts under conditions that in earlier years could have been withstood.

The lack of rainfall is not accepted as indicating any permanent change in the climate. Alternation of wet and dry years appears to be expected for the future, but the fact that six dry years have come in succession is not accepted as establishing the existence of any definite weather cycles upon which plans for the future may be built.

Rainfall Wisdom

According to the weight of meteorological opinion, rains in Saskatchewan are largely produced by warm, moisture-laden winds, which may bring moisture from as far south as the Gulf of Mexico. But rainfall only occurs when such winds, in their northern movement, meet cool winds from the north, which cause moisture to be precipitated. When such meeting has not taken place over southern Saskatchewan, the moisture from the south has been carried farther north, and there precipitated, so that during the past few years northern Saskatchewan has been producing wonderfully good crops with the moisture that under slightly different meteorological conditions might have been extracted from the air a couple of hundred miles farther south.

Another doctrine that appears to have achieved general acceptance is that of the water table in the soil. Formerly much of the soil was impregnated with moisture at and below different depths fairly uniform over large areas. This might be at levels accessible to the roots of growing plants, but if lower, at a level that did not prevent the gradual moistening of upper soil from below. Now the water table has been progressively lowered in successive years, by the draining of marshes and sloughs, and by increased evaporation from land now cultivated but formerly protected by grass.

Raise Water Level

There is widespread belief, apparently supported by technical engineering knowledge, that the water table might be raised again by checking the run-off of water for a number of years, by damming rivers and the outlets of lakes, and through re-establishing a great number of lakes and sloughs by the throwing up of small earth dams. According to this theory, the water saved by such measures of impounding would not be mainly that visibly collected in reservoirs, but more importantly that invisibly retained in the surrounding land.

So far you will find a lot of people in agreement, and also in agreement that more hedges and trees might largely tend to check the action of wind on the soil. But enthusiasts for trees apparently overshoot the mark when they set up claims that forest areas, if established, will cause more rain to fall. Even if they should be right there are plenty of people who believe that extensive tree growth is precluded in much of southern Saskatchewan because enough rain does not fall for tree growth, and not that rain is prevented from falling from lack of trees.

Counter Arguments

Argument on such a point tends to impair, rather than to improve the chances of getting trees set out where there appear to be good chances for growth. And similarly the idea of water conservation by means of inexpensive dams suffers when large-scale schemes are suggested for irrigating great areas of land from the water of the South Saskatchewan River. For wheat farming, it is believed, cannot stand the capital and annual service costs of irrigation, which requires intensive, instead of extensive agriculture to support it.

There are other plans to get certain areas re-seeded to grass, and these are accepted as sound within limits. But such ideas arouse antagonism if they are coupled with ideas for any extensive migration of people from the south to the north.

Dependent on Rainfall

Any of these plans, it will be noted, depend for their success upon the recurrence of a reasonably good rainfall for a period of years, and those concerned either with tree planting or grass seeding cannot even be begun until there is a change for the better in rainfall. Such a change may of itself so improve conditions that there will be a tendency to put aside improvement plans until observations show what natural improvement may take place.

MINING ACTIVITY IS LEADING FACTOR IN BUSINESS GAIN

All Production Indices Reported Higher in August

The industrial situation rendered an excellent account in August, The Financial Post index in its final form being 98.4 compared with 98.6 in July. The actual showing was better than the index disclosed, the minor recession being entirely due to the smoothing adjustment as reported in The Financial Post last week.

The nine factors showing the trend of mineral production chalked up a general advance, the index increasing from 117.2 to 135.7 It is seldom that the observer has an opportunity to report such a widespread upward movement. Copper and nickel exports after seasonal adjustment were up eight per cent and 13 per cent, respectively. Lead production in the last month for which statistics are available was greater than at any time since the later months of 1930. Precious metal shipments gained sharply over July. The index of imports of bauxite for the manufacture of aluminum was 184.9 compared with 91.2. The increase in coal output was greater than normal for the season, the index advancing from 82.7 to 86.2.

Factories Busier

The activity in manufacturing plants was accelerated in August, the index of production being 100.7 compared with 99.0. The food industries shared in the gain with an increase of two points in the index.

Releases of tobacco were in heavier volume in August, the index reaching the highest point since October, 1930. Cigar releases were more than 12,000,000 while 509,000,000 cigarettes were made available for consumption.

Crude rubber imports were down considerably, the index dropping from 142.4 to 122.9. The textile industry showed greater confidence by the increased imports of raw materials. The inward shipment of raw cotton was 6,535,000 pounds compared with 8,281,000. The index of raw wool and wool yarn advanced from 77.7 to 98.3.

The gains in newsprint production and in shingle exports were the main influences raising the forestry index from 96.7 to 98.4. As steel ingots and automobiles were produced in smaller volume, the iron and steel index dropped from 72.2 to 66.9. Pig iron production gained about nine per cent over July. The decline in automobile production was greater than normal during both July and August. Crude petroleum imports were in the limelight during the month, being greater than in any other month in history except in November 1929. The adjusted gain over the preceding month was more than 15 per cent.

The average daily electric output was 53,508,000 kw.h. compared with 52,300,000, the index moving up to 184.8 from 180.6.

The index of distribution based on four factors showed a slight gain in August, the strong factors being carloadings and exports. The adjusted index of trade employment was unchanged, while a slight decline was shown in imports. The decline in the amount of cheques cashed at the branch banks was greater than normal for the season, the index after price adjustment being 138.6 compared with 141.6.

The general index of employment was down slightly on September 1, while the adjusted manufacturing index continued the climb shown since the first of the year.

Export Orders Maintain August Auto Production

Due largely to heavy production for export, automobile output in August was well maintained at 9,904 as compared with 11,114 in the previous month and 6,079 in August, 1933, and was the highest August figure since 1929. Cars for sale in Canada numbered 4,933 while 4,971 were produced for export.

Passenger cars produced in August numbered 7,325 while trucks numbered 2,579, both totals being equally divided between domestic and export production.

Total production for the first eight months of the year is 103,102 as compared with 50,881 in the same period of 1933. Of the 1934 total, 66,625 were produced for sale in Canada and 36,477 for export.

Brown Corporation
(A Canadian Corporation)

The holdings of this corporation comprise a pulp-making plant with a daily capacity of 300 tons of sulphate pulp, and chemical works for utilization of all waste, representing a cash investment of $19,000,000.

Water-power (developed and undeveloped), 140,000 h.p. The corporation's timber lands comprise approximately:

1,000,000 acres in fee simple
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160,000 acres in stumpage

With an estimated total of over 13,000,000 cords of pulpwood, the corporation has practically an unlimited supply of raw material.

Manufacturers know Brown Corporation as a concern making a variety of pulps for special purposes. The most recent and outstanding achievement is Solka, the purified cellulose.

A large percentage of Solka fibres made by Brown Corporation are sold to the parent company, Brown Co., Portland, Maine, and are converted into many high quality products which have met with spontaneous national acceptance. Some of the products made from Solka are yarns, innersoles and upperstock for shoes, the famous Nibroc Towels, and special papers possessing tremendous strength and durability combined with excellent printing surface and brightness of color. These products owe their outstanding characteristics to Solka.

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MILL AND HEAD OFFICE AT DOLBEAU, QUEBEC
ADMINISTRATION OFFICE: MONTREAL, QUEBEC

News of Canadian Mining Investments

The Week in Mining

A New Departure

A NEW departure in mining finance is contained in the announcement this week that the M. J. O'Brien interests, long noted for their successful operations as a strictly private company, have decided to "let the public in" on their property in Cadillac township, Quebec, formerly known as the Cadillac-O'Brien Mine. It is stated that a new company, the O'Brien Gold Mines, has been formed to acquire the assets of the heretofore private company, the Cadillac O'Brien Mine. A public offering of 1,250,000 shares in the new company is to be made, to net the company in the neighborhood of $1,000,000.

This announcement has more than passing significance from two angles. In the first place, it is noteworthy because of the change in a long established policy by one of Canada's better known mining operators. In the second place, it introduces for probably the first time, methods formerly confined to industrial financing, into the arena of mining finance.

* * *

WHILE M. J. O'Brien Ltd., being a private company, issues no financial statement to the public, there has been nothing to offset the general belief that this company is particularly fortunately placed as regards finances. It would seem that if M. J. O'Brien Ltd. wished to finance its Cadillac Twp. property through further development and to add to its recently started mill, it would not be handicapped by lack of money. When a private company so situated resorts to a public offering to raise funds, speculation as to why such a step is taken is a natural result. In other fields of industry, such financing would not be rare enough to inspire comment. In mining, this is not the case.

Since 1,250,000 shares are to be offered at $1 per share and since the underwriters, Nesbitt Thomson & Co., state that the offering will give the new company current assets of about $1,000,000, it is safe to assume that the underwriters' commission through sale of this stock is 20 per cent of the selling price. It must be borne in mind that M. J. O'Brien Ltd., is receiving 2,000,000 shares in the new company as vendors of the property, and will retain control and management of the Cadillac producer.

Thus when the financing is completed, the newly formed O'Brien Gold Mines will have $1,000,000; Nesbitt Thomson & Co. will have earned $250,000, which is not, of course, excessive, in view of underwriting costs, and M. J. O'Brien Ltd. will still have control of its Cadillac producer.

* * *

AS TO the property itself, its growth to the production stage has been a healthy one. Gold content of ore treated to date has averaged .45 ozs. The mill, which is handling 80 tons daily, is now served with hydro-electric power. The company's property is said to extend over 7,000 ft. along the strike of six known ore veins.

In an undeveloped prospect, languishing for lack of funds, an appeal to the public would be a routine step. In this case it is invoking a very natural curiosity.

The suggestion has been made that this move is a preliminary step to joining the undoubted experience of M. J. O'Brien Ltd. with the financing facilities and reputation of Nesbitt Thomson & Co. with a view to developing prospects, using the new O'Brien Gold Mines as a sort of parent company. Enquiries at the Toronto office of Nesbitt Thomson & Co. however, brought neither denial or confirmation of this suggestion, apart from the official statement that the funds, may be used for "further development work, additions to the Cadillac-O'Brien mill, construction of other buildings, for the acquisition of, or an interest in, other properties, and for other corporate purposes."

That official statement may be a full explanation of the questions raised in the minds of investors by this issue when the way it is to be worked out is made plain. As stated, it leaves too much to the imagination. The actual plans and intentions with data would be much more convincing. Firms of such high standing should give a lead to others in the direction of frank and explicit statement.

* * *

Mixed Market

PRICE action on the mining section of the Toronto Stock Exchange has been somewhat mixed, with a tendency towards softness prevailing. Lower prices have dominated both the higher priced gold list and the junior issues due principally to the failure of the New York market to hold an upward price trend and to heavy liquidation.

As was to be expected, Teck-Hughes has held the most prominent position as far as the gold leaders are concerned. Trading in this company's stock has continued to be heavy since the announcement of reduction in the quarterly dividend payment dropping as low as $4.07.

Silver stocks held fairly firm while the base metal group followed the general trend. Reflecting the unsatisfactory price of lead and zinc Base Metals Corporation drifted down to 75 cents, a new low for the year.

* * *

Teck Hughes Again

TECK HUGHES stock continued last week to feel the effect of heavy selling, following the recent announcement of a cut in dividends, and a declaration as to the company's ore policy.

Were it not for the fact that the president of this company was so highly regarded among mining men and investors, the Teck situation as it affects the market would not be worthy of much comment. However, despite the fact that the management of Teck Hughes, as regards honesty and sincerity of purpose, is beyond reproach, leaks are inevitable, and the only way in which such a company can protect itself, as pointed out in an analysis of this company's position in last week's issue of The Financial Post, is to keep the shareholders well-informed, so that the tense atmosphere conducive to market "bombshells" is made impossible. This is the attitude which The Financial Post has consistently taken, and it would be extremely erroneous to interpret this attitude as being in any way a reflection on the honesty of the management.

* * *

Index to Mining Stocks

THE weighted index number of twenty-three mining stocks computed by the Dominion Bureau of Statistics on the base 1926-100, was 135.9 for the week ending September 20, as compared with 139.3 for the previous week.

Nineteen gold stocks fell from 136.9 to 133.5, and four base metals stocks from 154.7 to 151.0.

KIRKLAND LAKE ACHIEVES GOAL PAYS DIVIDEND

19 Year Old Company Has Bright Future, Conditions Indicate

Another gold producer has been added to the list of dividend-paying mines in Ontario. After 19 years of corporate existence a dividend has been declared by Kirkland Lake Gold Mining Co., announcement having been made on Saturday last of the declaration of an interim payment of three cents per share payable Dec. 1, 1934, to shareholders of record Nov. 1, 1934. This means a cash outlay of $157,174 on the part of the company, the outstanding capitalization amounting to 5,239,123 shares of a par value of $1 each.

Operations during the current year to date are understood to have been highly satisfactory. At present the mill is handling 200 tons per day, and it is stated that production could easily be increased through the raising of mill heads. Production is well ahead of 1933 rate when recovery, including exchange compensation, amounted to $521,410. Output in the month of July was the largest in the company's history, totalling $80,577, and it is reported that August production may even exceed this figure.

The company's annual report for the year ending Dec. 31, 1933, showed a strong liquid position. Current assets as at Dec. 31 totalled $401,022 as against current liabilities of $25,715, leaving a working capital of $375,307. Net earnings from operations were $149,508 in 1933. This was further increased to $168,650 by miscellaneous income from investments. After deducting $26,930 for depreciation net profits amounted to $141,720, equivalent to $0.027 per share.

Kirkland Lake Gold Mining Co. was incorporated in 1915 by interests associated with the Beaver Silver Mines at Cobalt. Production commenced in 1919 and has been continuous with the exception of the year 1925 when the workings were shut down. In 1926 Dr. J. B. Tyrrell took charge of the property and it has been under his charge that the company has been brought to the stage where a dividend can be paid. Dr. Tyrrell based his plans of operation on a theory of the deposition of gold-bearing ores in the western end of the field. He was convinced that as operations reached greater depth the lamprophyre formation would become less prevalent and that the porphyry with which the massive ore bodies are associated would become more plentiful. An extensive development programme was carried out at depth which confirmed his opinion. About four years ago development work at around a depth of 4,000 ft. encountered increasing quantities of porphyry with which the large ore bodies in the central section of the camp have been associated. Here a higher grade of ore was encountered. While no massive lenses of ore such as characterize the more central section of the camp have been discovered, results have been favorable and workings at present are at a depth of nearly 6,000 ft.

Kirkland Lake Gold Mining Co., like other gold producers, have derived great benefit from the higher price of gold. Without this assistance it is doubtful whether the company would be in a position to pay dividends at this time. The increase in the price of the precious metal has been of immense assistance in furthering the ore position of the company and has made it possible for the company to treat much of the low-grade ore.

McMillan Steps Up Mill To Rate of 110 Tons Daily

The milling rate of McMillan Gold Mines has been stepped up to approximately 110 tons daily, and it is now estimated that the mill can handle 150 tons daily, according to a progress report issued over the signature of John H. Banks, president and consulting engineer. In starting the mill on August 13, more or less diluted ore from the dump pile was used, Mr. Banks states. This was supplemented with ores from the stopes in gradually increasing proportion until the present milling rate was reached on September 10.

Shareholders are informed by the report that activities at the property since the annual meeting in May have been directed chiefly to completing the mill, the power line and sub-station, the new power house and to opening stopes on the 325 and 625-ft. levels. The power line from Espanola to the mine was completed and the company began to take current the first week in July. A steel headframe has been designed to replace the old timber structure which has been in use since the shaft was commenced.

In reviewing this year's development work, Mr. Banks states that work has been concentrated on the 625-ft. level, which was opened late last year, and a total of 646.5 ft. of crosscutting and slashing has been completed, together with 272 ft. of drifting. No drifting or crosscutting has been done on this level since early in the year, but this will be resumed when stoping is sufficiently advanced. The main vein was encountered at a distance of 173 ft. from the shaft crosscut and, from the point of intersection, an ore shoot was opened up having a length of approximately 100 ft., the indicated width being nine ft. and grade, as ascertained over drift width, .424 ounce.

Investing Public Gets New High in Dividends

Survey Shows 1934 Payments Will Exceed $46,000,000

Reflecting the increased earnings of gold producers in Canada as result of the higher price for gold, Canadian metal mining companies will in 1934 establish a new all-time record for disbursements made to shareholders, a survey by The Financial Post reveals. Dividend declarations and payments by Canada's metal mines during the current year to date have amounted to approximately $37,014,717, an increase of 31 per cent over the whole of 1933 when the sum of $28,312,624 was paid. In 1932, dividend payments totalled $22,967,641. For the whole of 1934, payments will exceed $46,00,000, The Financial Post estimates, as compared with the previous all-time peak of $44,737,837 established in 1930.

On the basis of the above estimate the grand total of dividend payments of metal mines in Canada since the inception of records will at the end of 1934 approximate $581,500,000. Disbursements to date have reached the total of $572,572,169.

As the leading producer of minerals in the Dominion, Ontario also occupies first position in the disbursement of dividends, accounting for 78 per cent of the amount distributed so far this year. In the early days of the mining industry in this country British Columbia mines made the largest returns to shareholders, but Ontario captured first position when the famous Cobalt silver camp came into production. In 1932, British Columbia dropped to third position, being surpassed by Quebec, where two companies, Noranda Mines and Siscoe Gold Mines, are on a dividend basis. In the present year the Pacific province has regained some of its prestige and its metal mines once again stand second to Ontario as dividend payers.

Inco Heads List

Of the grand total, Ontario accounts for 75 per cent of the amount paid, the metal mines of this province having distributed the huge sum of $429,842,579 as compared with $142,729,590 disbursed by the other provinces. Metal mines of British Columbia have distributed $125,383,257, while those of Quebec have paid $17,187,740 to date.

International Nickel Co. is the foremost dividend payer in the country. Including disbursements made by its merged companies it has distributed 27 per cent of the total dividends paid by metal mines in Canada. Mines in the Sudbury district have paid $157,746,680. While companies operating in the Kirkland Lake area are currently the largest dividend distributors in the country, paying $11,439,829 so far this year as against $9,539,202 paid by those in the Porcupine area, the latter's grand total is $107,704,254 as against $67,382,872 for Kirkland Lake companies. The Cobalt area has only paid $245,790 in 1934 although its grand total amounts to $96,708,773.

The higher price for gold has been largely responsible for the increase in dividend payments. Under the stimulation of $35 per ounce gold many companies have enlarged operations and earnings of the major gold producers have risen higher and higher. Because of increased earnings a number of companies have adopted a more liberal attitude toward their shareholders. Either through bonuses or the establishment of higher regular dividends, Howe Sound, Pioneer, Sylvanite, Wright-Hargreaves, Dome and Hollinger have paid larger amounts to shareholders.

New Dividend Payers

Several new producers have also been added to the list of dividend distributors. Bralorne Mines, which owns a producing mine in the Bridge River area of British Columbia, after making an interim payment of 12½ cents per share on April 16, 1934, went on a regular quarterly basis of 15 cents per share in July. San Antonio, the first mine in Manitoba to enter the dividend paying class, made an interim payment of five cents per share in March and prospects are that another payment will be made before the end of the year. In Northwestern Ontario, Howey Gold Mines, which is treating the lowest grade ore of any Canadian producer, has already disbursed seven cents a share this year and is expected to pay an additional four cents before the close of the year. Toburn Mines, operating the old Tough-Oakes-Burnside mine at Kirkland Lake, is paying two cents quarterly, the initial payment having been paid in February.

The resumption of dividends in March on the common shares of the International Nickel Co., after a lapse of two years, has also helped to swell the total. Since the first of the year the company has paid out over $5,000,000 to common shareholders. Nipissing Mines Ltd. distributed 12½ cents per share out of accumulated profits.

The following tabulation gives the record of dividends paid by the various metal producers in Canada:

Dividends Paid in Calendar Years

Mine	Main Product	Divid. to end 1933	Paid in 1933	Paid 1934 to date
British Columbia				
Bralorne	gold	....	....	4,425,000
Cons. M. & Smelting	lead-zinc	▲46,534,328	▲1,478,275	1,628,687
Howe Sound	copper	14,133,053	620,128	1,076,930
Pioneer	gold	1,101,200	735,735	1,138,637
Premier	gold	17,108,075	628,571	600,000
Former divid. payers		78,876,656	....	....
		120,513,103	3,462,709	4,869,254
Nova Scotia				
Montreal-London†	gold-silver	47,928	....	....
Ontario				
Cobalt Area				
Coniagas	silver	11,540,000	96,415	95,790
Nipissing	silver	29,940,000	....	150,000
Former dividend payers		54,982,983	....	....
		96,462,983	96,415	245,790
Porcupine Area				
Buffalo Ankerite	gold	43,200	43,200	70,200
Dome■	gold	18,459,512	1,716,001	2,860,002
Hollinger	gold	66,102,400	4,182,000	5,412,000
McIntyre Porcupine■	gold	12,559,517	1,496,250	1,197,000
Former dividend payers		1,000,423	....	....
		98,165,052	7,437,451	9,539,202
Kirkland Lake				
Lake Shore	gold	28,020,000	6,000,000	5,000,000
Sylvanite■	gold	527,920	164,975	659,900
Teck-Hughes	gold	18,673,860	2,884,286	2,643,929
Toburn	gold	....	....	111,000
Wright-Hargreaves	gold	8,322,638	1,512,500	3,025,000
Former dividend payers		368,625	....	....
		55,943,043	10,561,761	11,439,829
Sudbury Area				
Falconbridge Nickel	nickel	812,610	812,610	655,741
International Nickel•■	nickel	149,239,974	1,933,899	7,038,355
		150,052,584	2,746,509	7,694,096
Western Ontario				
Howey	gold	....	....	300,000
		400,623,662	20,845,721	29,218,917
Manitoba				
San Antonio	gold	....	....	111,565
Quebec				
Noranda■	gold-copper	13,157,392	3,359,658	2,239,772
Siscoe	gold	1,145,167	644,546	645,409
		14,302,559	4,004,204	2,885,181
Grand total, Canada		535,487,252	28,312,634	37,084,917

†Dividend record incomplete. •Preferred and common; includes predecessor companies. ▲5 per cent dividend paid in lieu of cash bonus July 15, 1931 and Jan. 15, 1932; 10 per cent stock dividend paid March 1, 1933. ■U.S. funds.

PRIVATE COMPANY TO WORK ONT. CLAY

General Refractory Products to Operate Near Kapuskasing

Backed by Minefinders Ltd., of which company it is a subsidiary, General Refractory Products Ltd., a private company has been formed to develop deposits of clay in the Mattagami River district adjacent to the foot of Long Rapids, North of Kapuskasing.

This development, which, its sponsors believe, will add a new arrow to Ontario's well stocked mineral quiver, is the result of two years work by A. E. Hilder, managing director of the new company. While refractory clay, of a very high quality, has long been known to exist in Northern Ontario, deposits heretofore discovered by government geologists and others were too distant from rail facilities to allow competition with outside clays. Mr. Hilder claims that the property of the new company, 480 acres, just seven miles from Smoky River, to which point the Spruce Falls Power and Paper Co. have a private line, is, by the construction of seven and a half miles of spur line, made accessible by rail. He claims that, through an arrangement with the Spruce Falls Power and Paper Co., the materials can be shipped to Kapuskasing where it is planned to build a complete plant to make the diversified products which, it is claimed, can be produced from the fire clay, felspar and silica sand in the area. A property of 20 acres has been secured, Mr. Hilder told The Financial Post as a site.

J. M. Consolidated Output Shown at $4,500 in August

J. M. Consolidated Mines, operating the old Jackson Manion property at Woman Lake, Patricia district of Ontario, has shipped its sixth gold brick since the company went into production in May of this year. The brick, which is the largest single shipment the company has made, is valued at approximately $7,200. This represents a decided increase over previous shipments. Production in June was valued at $3,000, July $3,500 and August $4,500. Mill heads during the past month have been running at $16 per ton with extraction about 93 per cent.

While the September milling has been running at the rate of 17 tons per day the rate is to be increased to the rated capacity of 25 tons per day in the near future. Additional machinery has been delivered at the property for this purpose and this is to be installed at once.

Latest reports from the mine state that another high grade shoot has been encountered on the 375-ft. level. A quartz vein has been exposed by drifting for a distance of 130 ft., showing a width of five ft. with values of better than three ounces of gold per ton. A winze has been started from the 375-ft. level to explore the depth possibilities of the mine. Mill feed is coming from the stopes on the first two levels and from development work.

Beattie Inspires Nipissing To Drill Adjoining Claims

From Our Own Correspondent

SUDBURY.—Inspired by the success attained by the Beattie Gold Mining in Duparquet twp., Quebec, in which the Nipissing Mining Co. has a large interest, the latter has undertaken exploration of its ground adjoining the Beattie by diamond drill. A contract has been made with Smith and Travers Co., of Sudbury, and a campaign of drilling from surface is now under way. The Beattie deposit is a large ore body of low-grade, from which substantial earnings are now being made from operations of a 500-ton mill.

Bucket, Rake Used In Famed B. C. Area

The report of the B. C. Minister of Mines for 1933 reveals the surprising fact that next to the Pioneer Mine, British Columbia's largest producer, the famous old Rossland Camp is the greatest source of gold in the province. By far the greater part of this gold was, according to advices from the West, gathered with a rake and bucket by unemployed school teachers, paperhangers and white collar men whose previous experiences in mining had been nil. The Minister of Mines reports that for the five months ending December 31 last, the Rossland leasers shipped 7,224 ounces. The Bralorne, one of the major producers in the province, in the 12 months of 1933 produced only 7,020 ounces of gold. It is reported that one leaser shipped 2,828 ounces from the old ore dumps in this area.

HENNING-MALONEY SURFACE SHOWINGS PROVE ATTRACTIVE

Considerable Activity in Area South-west of Flin Flon

From Our Own Correspondent

REGINA. — Interesting reports of discoveries proving better than first indications have come from the region southwest of Flin Flon where the Henning-Maloney mine and Beda and other properties are being worked.

Henning-Maloney now has a shaft down to a depth of 161 ft., with more than 500 ft. of drifting and crosscutting done. A full crew is working two shifts. The company plans to bring power from Flin Flon through a sub-station on its own property and then deepen the shaft to 350 ft.

At the 150-ft. level cross-cutting has been carried 100 ft. eastward. The vein, No. 1 was intersected 84 ft. from the shaft. Drifting has been done on 180-ft. level, north and south. Where the vein dipped out from the shaft ore assayed at $35 a ton in gold over a width of 8 ft. The No. 1 pit on this vein, 85 ft. north of the shaft, assayed ore values of $60 a ton over a 3-ft. width.

No. 2 vein, which runs 130 ft. north and 35 ft. west of the shaft, shows ore values at $60 a ton over a 2½-ft. width. No. 3 vein, 110 ft. west of No. 2, and from 8 to 14 inches wide also yielded high values, according to latest information. On No. 4 vein, 300 ft. north and 300 ft. west of the shaft, assays from three to 11 ounces in gold. The cross-cut west from the shaft at the 150-ft. level has been extended 250 ft. and may intersect No. 4 vein shortly.

So far the operators have found consistent values confined entirely in quartz diorite in perpendicular lenses.

Other Activity

Surface showing having proven attractive, underground work is now being pushed to connect lenses of ore shown on the surface. The property is on Bootleg Lake seven miles southwest of Flin Flo.

Reports to the provincial department of natural resources state that the Beda property in the same region, but on Douglas Lake, which has eight drills at work, is showing higher values than expected. The present drilling contract for as much as 3,000 ft. may be extended to 5,000 ft. No details have so far been presented. This property is worked by the Flin Flon Gold Mines Syndicate and adjoins the Henning-Maloney mine to the north and the Wekach property on the west. From No. 5 hole, first drill cores assayed at $34.40 from two feet of core taken from 15 ft. of mineralization.

The Viola group of claims between Phantom and Douglas Lakes, four miles southwest of Flin Flon, have been optioned by A. G. H. Mast, who is reported to be representing the Oro Plata Mining Company. He, along with O. B. Gwillam, M.E., looked over this group recently and also the Raft Lake claims.

Premier Gold Mining Co. Drops Alexandria Option

Premier Gold Mining Co. has dropped its option on the property of Alexandria Mining Co., subsidiary of Alexandria Gold Mines, at Phillips Arm, B.C., The Financial Post learns. Robert Fennell, secretary of Alexandria Gold Mines, in conversation with a representative of the Post, confirmed this, stating that it had been dropped about a month ago. This, however, is the first that any public statement has been made of the fact.

Under the terms of option, which was granted early in 1934, Premier Gold Mining Co. had the sole and exclusive right and option to acquire a 60 per cent interest in the claims owned by the Alexandria Mining Co., leaving the Alexandria Gold Mines a 40 per cent interest.

After acquiring the option Premier Gold Mining Co. made an extensive investigation of the property, but results were not considered favorable enough to warrant taking up the option. Development of the property on a small scale is being carried out by Alexandria Gold Mines at the present time.

Alexandria Gold Mines, which is headed by C. H. Dickie, Nanaimo, B.C., has an authorized capitalization of $5,000,000, of which $4,400,000 is outstanding.

BEATTIE IS TRADED ON MINING SECTION OF TORONTO MART.

Current Assets of $895,616 Liabilities of $418,601 Shown

Beattie Gold Mines, controlled by Ventures, is the latest stock to be listed on the Mining Section of the Toronto Stock Exchange. Trading started on Friday, September 21.

This company, which is headed by Thayer Lindsley, commenced milling operations on its property in Duparquet township, Quebec, in May, 1933, when an initial concentrating unit of 600 tons daily capacity was put into operation. In September, 1933, the mill capacity was increased to 800 tons daily. The mill output is now reported to be in the neighborhood of 1,000 tons daily. Beattie Gold Mines has an authorized capitalization of 5,000,000 shares of no par value of which 2,230,792 have been issued for properties and 2,307,579 for cash, leaving in the treasury 461,629 shares.

Of the amount sold for cash 1,502,564 were sold at 40 cents per share; 605,009 sold for 50 cents per share and 200,000 were sold at $1 per share. A total of 3,868,637 shares, representing holdings of Ventures and Nipissing Mining Co., are held under an agreement which precludes them from being disposed of without mutual consent of both parties. Ventures Ltd. owns 2,100,077 shares. Nipissing Mining Co. will own 1,900,000 shares if and when all options are exercised.

The balance sheet as at July 31, 1934 shows current assets of $895,616 and current liabilities of $418,601. Profits for the year, after all charges and subject to write-offs amounted to about $28.56 per ton. Production to date from the commencement of operations is valued at $1,857,489. This company has as yet paid no dividends. In addition to Thayer Lindsley, the officers and directors of the company include Alex. Faskin, vice-president and director; C. C. Calvin, sec.-treas.; Halstead Lindsley, Major-General D. M. Hogarth and E. T. Earl, director.

Financial Group Acquires Claims Near Webbwood

From Our Own Correspondent

SUDBURY.—A group of Canadian and United States financiers have taken over the gold claims of J. B. Spellman and Charles Belisle near Webbwood, a locality which has not been in the public eye as a mining area. A company is to be formed to undertake development. A diamond drill will be sent in at once and a road built to the property. The claims are in the 5th concession of Shakespeare township, and comprise about 240 acres. About $5,000 has been spent on the property in the last two years in exploring surface finds. Electric power is near at hand.

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SASK. OIL CONCERN HITS RECORD DEPTHS

Pine Hills Co. Drills 4,000 ft. in Moose Jaw District

From Our Own Correspondent

REGINA.—The deepest boring ever made in Saskatchewan has been done by the Pine Hills Co. in Avonlea district, about 40 miles south of Moose Jaw. This company is controlled by the Dingman interests in Alberta. At present the drill is in limestone a little beyond the 4,000 ft. mark.

Previously the deepest boring was made at Moose Jaw back in 1914 when a boring of 3,400 ft. was made but only mineralized warm water came up. This water is now being used in the Moose Jaw Natatorium.

The Pine Hills project, more in the nature of a test, is now in limestone formation. There have been showings of gas. Expectations are that the company will not go beyond the limestone. Before work started on the site at least $60,000 was spent in prospecting and other preparations.

The Lloydminster gas well, which became productive at 1,975 ft., is now supplying the town of Lloydminster with gas. This well was started ten months ago, one mile north of the town. A big flow was struck on Good Friday, this year. The town, after a plebiscite gave the Lloydminster Gas Co. a franchise to distribute gas. To date more than 25,000 ft. of mains have been laid, 100 services installed and more than 50 places completely hooked up. This is the first natural gas to be used in Saskatchewan.

New Company to Acquire Jomac Syndicate Property

From Our Own Correspondent

SUDBURY.—Jomac Mines Ltd. is being organized to absorb the Jomac Syndicate, which owns two groups of claims around the Foisey and Dik-dik properties, and nine claims in the new Sturgeon River area, upon which several gold showings have already been uncovered. The company will be capitalized at 3,500,000 shares, of which 1,500,000 shares will be issued to the syndicate for properties. The syndicate has 7,500 units outstanding. The Sturgeon River group lies between the Brennan-Kenty property which is optioned to Casey Contact and the Coniagas option. A crew of 12 men has been trenching, and the syndicate manager, Pete McDonough, claims that visible gold has been blasted out of a narrow quartz vein, with pannings secured at other points on the property.

COLUMARIO REACHES PRODUCTION STAGE

B. C. Mine Starts Mill Running on 24-hour Basis

After a somewhat hectic marketwise career Columario Consolidated Gold Mines with mine at Usk, B.C., has finally reached the production stage, according to H. P. Mills, sec.-treas. Mr. Mills states that the recently installed mill, after a thorough testing is now running continuously 24 hours per day. It is stated that concentrates being produced are running better than five ounces of gold per ton with tails .04 oz. or less per ton.

ANNOUNCING THE FORMATION OF THE
QUEBEC MINING EXCHANGE
INCORPORATED
Applications for membership are invited from members of reputable financial houses dealing in securities and should be made at once.
Applications for listings are now being considered.
Full information regarding application for seats apply
SIR JOHN DANIEL, K.T.
QUEBEC MINING EXCHANGE, INCORPORATED
ROOM 407, 215 ST. JAMES STREET WEST, MONTREAL, P.Q.

This issue having been over-subscribed, this advertisement appears as a matter of record only.

NEW ISSUE
600,000 Shares
of
SPRINGER STURGEON GOLD MINES, LIMITED
No Personal Liability
HEAD OFFICE: 320 BAY ST., TORONTO, ONT.
Incorporated under the laws of the Province of Ontario

CAPITALIZATION
Authorized .... 3,000,000 shares (N.P.V.)
Issued for property (held in Escrow) ... 1,000,000
This Offering 600,000
In Treasury 1,400,000

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Toronto, Ont.
President
Karl Springer Exploration Co. Ltd.
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The Bank of Toronto,
Head Office
Toronto, Ont.

TRANSFER AGENTS
The Chartered Trust & Executor Company
34 King St. West, Toronto, Ont.

PROPERTIES—This Company has been formed to explore and operate the Windigokan Lake group of 18 mining claims discovered by the Karl Springer Exploration Company, Limited. These claims are located in the Sturgeon River area about five miles north of the Canadian National Railway near Jack Pine on the Port Arthur line, west of Long Lac, Ont.

TRANSPORTATION AND POWER—The fact that the Company's property is adjacent to the Canadian National Railway and to the Nipigon plant of the Ontario Hydro Electric Commission should prove important to the Company in the development of its properties at low cost.

GENERAL—The Company has no debts or liabilities. Nothing has been paid or is payable to any promoter for services.

These shares offer a speculative opportunity based on good geology and important gold values. Work alone will determine the extent of these possibilities but the surface indications are most promising.

Since this issue is subject to purchase by us the proceeds of these shares will not go into the Treasury of the Company.

CAMERON, POINTON & MERRITT
MEMBERS
THE TORONTO STOCK EXCHANGE
44 ADELAIDE ST. W. TORONTO TELEPHONE WA. 2961

The statements contained herein, while not guaranteed, are based upon information and advice which we believe to be accurate and reliable.

DEATH KNELL RUNG FOR FAMED WELL IN TURNER VALLEY

Royalite No. 4 in Central Area is Finally Abandoned

A summary of developments in Western Canada petroleum and natural gas fields to September 7 follows:

Cardston: Drilling has commenced on the Cardston No. 1 well and the last report depth was about 100 ft.

Red Coulee: Vanalta No. 6 are rebuilding the rig after a fire.

Waterton Lakes: Oil City Royalties is reported to have reached a depth of 1,940 ft. and to be running casing.

Skiff: Devenish Petroleum have commenced drilling its No. 5 well and is reported to be below 300 ft. Fuel oil for this drilling is being obtained from No. 3 well.

Lundbreck: Raven Well which was taken over by the Union Drilling Co. is reported to be drilling below 550 ft.

It is also reported that Mar Jon is moving its crew from No. 2 well, Turner Valley, to No. 3 well, and that drilling will commence at an early date.

Start Seismic Survey

Highwood: Banner Oils No. 1 is reported to have succeeded in sidetracking the old tools and that casing will be run.

Aldersyde: At Ranchmen's No. 1 well, casing has been run to 4,600 ft. Some difficulty has been experienced with paving and bridging and it may be some time before the casing reaches the bottom at 6,260 ft. Geologic and seismic investigation are being actively prosecuted in the district.

Pekisko Structure: Pekisko Hills No. 1 which has reached a depth of 3,315 ft. has been temporarily shut down and the financial arrangements of the company are to be revised. A number of other companies and individuals hold most of the acreage which will be proved by the completion of this well, but it is hoped that drilling will be resumed at an early date.

Turner Valley, South End: Okalta has not yet commenced work on their southern location.

Highwood Royalties No. 1 is reported to be drilling below 1,740 ft.

Northwest Royalties No. 1 is reported as being cemented at 1,400 ft.

Union Freehold No. 1 has been cemented to stop paving around 4,385 ft.

Myers and Wright No. 1 well is reported to be drilling below 850 ft.

Highwood Scarcee No. 1 well is now on production from crude oil and naphtha horizons.

Merland is preparing to drill their No. 2 well. Material procured from Hudson Bay Oil & Gas Co. is being hauled from Keho well.

The erection of the absorption plant of Gas and Oil Products Ltd. on the Mercury Section is nearing completion and it is expected that operation will be commenced about the middle of September.

The Petroleum and Natural Gas Division of the Alberta Department of Lands and Mines have been measuring the closed-in pressures of producing wells in Turner Valley but details of results are not yet available.

Royalite No. 4 Abandoned

Turner Valley Central area: The Royalite Oil Company after endeavoring to place No. 4 on production finally abandoned it on September 4. This famed old well burst into prominence in 1924, with a wet gas flow of 22,000,000 cubic ft.

Paramount: Work was resumed on the Paramount well at a depth of 3,098 ft. it is reported.

Birch Ridge: The Lundy well which was technically spudded in several months has not commenced active operations.

The Moose Mountain: The Elbow well resumed operation on June 28 and is reported at 4,375 ft. The company had a burst of gas on drilling out the bridge at 3,890 ft. The crew is now drilling up the bailer.

Hunter Valley: Hunter Valley well has reached a depth of 3,540 ft. Gas was encountered at 3,150 ft. and at 3,154 ft. lifted tools.

Wainwright: It is reported that Gold Standard Oils backed by Toronto capital has placed its refinery in a position to handle about 100,000 bbls. of Wainwright crude during the year and is planning, after reconditioning the old wells to undertake systematic new drilling. The plant may run entirely on Wainwright crude.

Aladdin Oil & Gas Resumes

Athabasca: Athadome Oils have resumed operation on its No. 2 well, 6½ miles west of Athabasca Landing and intend taking production from the crude oil horizon and will drill a No. 3 and install small refineries.

Saskatchewan: Pilot Butte; Aladdin Oil & Gas Co. is reported to have resumed operations at its well.

Dirt Hills: Blackfoot Oil & Gas Co. No. 1 well is reported to have reached a depth of 1,400 ft.

The Two Pine Well is reported to be drilling at about 4,000 ft.

Simpson: Simpson Oil Co. has completed a cellar for No. 2 well and a derrick is being erected.

Lloydminster: The local gas company has been devoting its energy to installing a distributing system and has not done any further drilling.

Lone Rock: Altoba Oil & Gas Company's well in this locality has reached a depth of 1,900 ft.

East Kootenay

Sage Creek, Flathead District: Columbia's Oils No. 1 well is reported to have reached a depth of 1,940 ft. a ten-inch casing to 1,900 ft.

Cariboo: A syndicate has applied for petroleum and gas rights on an area of approximately 150 square miles near Quesnel and Prince George. Recent interest in this area has been aroused by the inspection of Orion T. E. Majors of California.

Boundary Bay: Natural Gas Development Co's No. 1 well has been spudded in in this locality.

Canadian Marconi Co. Make Executive Changes

From Our Own Correspondent

MONTREAL.—Canadian Marconi Co. announced the promotion of R. M. Brophy, sales manager, to the position of assistant to the general manager, while M. M. Elliott, assistant sales manager, succeeds Mr. Brophy as sales manager.

At the Mines

Bulolo Gold Dredging — Production during the eight months ended August 31 totalled 64,367 ounces of gold and estimated profit in Canadian funds was $1,628,200.

* * *

Cariboo Gold Quartz—Representing August recovery, the company has shipped a gold brick weighing 1,337 ounces, as compared with 1,499 ounces in the previous month. With gold valued at $35 an ounce, the brick has an approximate value of $46,795.

* * *

Van Sickle Mines—The recently installed 15-ton mill on this property in the Michipicoten area is operating well with good recovery anticipated, according to an unofficial report from the property. It is stated that the shaft has been carried to the 200-ft. horizon and two levels have been established, with lateral work under way.

* * *

Vidette Gold Mines—The company has taken an option on 3,000 shares of Monashee Mining Syndicate. The syndicate is capitalized at 5,000 shares of no par value of which 2,000 shares have been issued for properties. It is reported that recent development work at the Monashee Mining Syndicate has shown the vein to widen out to six ft.

Claim Drilling Increases Indicated Chromium Ore

Diamond drilling results on the long-known chromium deposit at Obonga Lake has increased the amount of ore indicated by a considerable quantity, according to A. R. Globe, president and general manager of the Chromium Mining & Smelting Corp.

In a progress report recently issued Mr. Globe states that the contract calling for 4,000 feet of additional diamond drilling was started in June and to date a series of 20 holes has been completed. Work on the 22nd hole is now in progress. Mr. Globe states that this drilling has resulted in proving a section 600 ft. in length by 300 ft. deep and over a width of 12 ft. It is estimated by the management that this diamond drilling has proven an indicated ore reserve of approximately 225,000 tons of millable ore. The value of ore is estimated at $31.44 per ton with an average approximate net recovery of $11 per ton. This fall it is planned to construct a 75-ton mill and concentrator at the property. It is expected that the pouring of cement for the foundations will start in "the very near future."

NICOLA MINES GIVEN CLEAN BILL OF FARE

Government Engineer States Development Work Efficiently Done

A clean slate as far as development work is concerned has been given Nicola Mines and Metals by independent investigators who recently looked into this company's affairs, at the request of a group of dissatisfied shareholders.

According to the findings of P. B. Freeland, resident government mining engineer for the Nicola district of B. C., who investigated under government auspices, development work during the past year was efficiently carried out, was not "useless and unnecessary," as certain shareholders had claimed, and that funds had not been misspent or wasted during that time.

Mr. Freeland further states:

"It is very easy to criticize after the work has been done and I venture to say that had Mr. Shaw found ore in the various development headings there would have been no criticism. This work had to be done, in my opinion, to prove or disprove the possibilities of ore in the shear zones attacked."

A letter to shareholders states that approximately 3,396 tons of ore have been milled and the concentrates shipped to Trail. The mill has been tested for two months and mill head values have been increasing in the past few weeks.

Movements of Mining Men

Llewelyn Chamberlain, resident engineer of the recently formed Packsack mine, has left Eustis, Quebec, to take charge of the company's Manitoba property.

J. Milner, mining recorder for the North West Territories and well-known figure in western mining circles is retiring from special government service and has left Fort Smith, N. W. T. by steamer for the "outside."

Dean Brock, of the University of British Columbia geological department was a recent visitor in Toronto.

Horace Perodeau, of Geoffrion and Perodeau, stockbrokers of Montreal is on his way to Nevada where he will make a personal inspection of the Crown Consolidated Mine and other mining properties of that stake. Mr. Perodeau travelling by air intends to cover about 6,000 miles, visit the Chicago Fair and be back in Montreal in about five days.

Dale L. Pitt, general manager of Premier Gold Mining Company mine in the Portland Canal district, B.C., is slated to go to Australia to manage the properties acquired there several months ago, advices from the West state.

Irving Oil Expands Facilities in Maritimes

From Our Own Correspondent

MONTREAL.—Further expansion in plans of the Irving Oil Co., oil and gasoline distributors in the Maritime Provinces, are set forth in the current issue of the Canada Gazette. The company proposes to construct a wharf, dolphins and mooring posts on the northern bank of the Petitcodiac River immediately to the east of Hall's Creek near Moncton.

Plans have also been deposited for a wharf which it is proposed to build in Sydney Harbor immediately in front of the warehouse and storage tanks already built and owned by the company.

MONTREAL SILVER EXCHANGE STARTS TRADING OCT. 1

Final Details Completed for Dealing in White Metal

From Our Own Correspondent

MONTREAL. — Trading on the Montreal Silver Exchange will be met on October 1, according to an official announcement made by D. S. McMaster, president of the provisional board of governors and also chairman of the Montreal Stock Exchange, sponsors of the newly created market.

The new exchange will have 150 members; 14 of its present members have memberships in the New York Stock Exchange, 24 in the Commodity Exchange in New York, 79 in the Montreal Stock Exchange, 16 in the Toronto Stock Exchange, and 84 in the Montreal Curb Market. The wide geographic distribution of the memberships is indicated by the fact that besides Montreal, members are located in New York, Shanghai, Hong Kong, Bombay, Rio de Janeiro, Paris, Toronto, Vancouver, Philadelphia, Kingston and Buffalo.

In connection with the mechanical details of the new Exchange, it is stated that trading had been established on the floor adjacent to that of the Montreal Stock Exchange. The size of the contract has been set at 10,000 ounces with commissions comparable to those charged on the New York Commodity Exchange while silver trading was carried on there.

Five depositaries have been named by the Montreal exchange. They are the Banque Provinciale du Canada, Canada Cold Storage Co., Montreal Trust Co., Royal Trust Co., Trust Generale du Canada.

J. Schmander, former assistant manager of the Commodity Exchange Clearing Association, has been retained to act as manager of the Montreal Silver Clearing Association.

Though plans have been announced for the establishment of a silver exchange in Toronto, the Montreal Silver Exchange will be the first market in futures of the white metal ever established in Canada. It will be the only open market for silver on the North American continent. For the first time the silver producers will have a market on which to hedge their production of silver for at least eleven months in advance. Particularly with the present status of the metal as a currency medium as well as for inflation, a market in which producers can protect themselves and assure profits should prove beneficial to the Dominion's financial machinery.

Silver stocks held by the refiners in Canada amount to little more than 2,000,000 ounces, but a considerable volume of the metal is held in storage, probably somewhere in the neighborhood of 10,000,000 ounces or more.

Mining Concerns Newly Formed

Guinard Gold Mine, Ltd.—Que Incorp., Sept. 5; H.O., 111 Bagshaw St., Rouyn, Que.; Author. capit., $49,000, par $1.

Lake Rowan Gold Mines Ltd.—Dom. Incorp., Sept. 7; H.O., Montreal, Que.; Author. capit., 3,000,000 shs., n.p.v.

Thompson Joanne Gold Ltd.—Que. Incorp., Sept. 5; H.O., Rouyn, Que.; Author. capit., $18,000, par $10.

Technician Gold—Que. Incorp., August 17; H.O., Montreal; Author. capit., $250,000, par $1.

Tiblemont Excelsior—Que. Incorp., August 17; H.O., Montreal; Author. capit., $149,000, par $1.

West Shore Gold Mines—Que. Incorp., August 4; H.O., Montreal; Author. capit., $3,000,000, par $1.

Bullion Movement in United Kingdom

The following were the United Kingdom imports and exports of gold registered from mid-day on Sept. 3 to mid-day on Sept. 10:

Imports	£
Germany	558,779
Belgium	20,992
U. S. A.	106,348
Venezuela	20,700
British West Africa	107,102
British South Africa	185,140
Newfoundland & Coast of Labrador	22,075
Australia	113,489
New Zealand	34,884
Canada	683,072
Other countries	43,028
	£1,895,609

Exports	£
Netherlands	35,096
Belgium	56,800
France	278,434
Switzerland	210,751
Palestine	5,000
	£586,081

Sullivan Consolidated Draws Profits from Mill

From Our Own Correspondent

MONTREAL. — Sullivan Consolidated Mines is now drawing profits from its milling operations, the recovery amounting to about $1,000 a day, according to official statement released by the company. Power has been furnished for mill operations by the Northern Quebec Power Co., subsidiary of Canada Northern Power, since the 25th of August.

Underground work at the mine is proceeding satisfactorily, but in order to speed up same the company has purchased an electric hoist capable of carrying operations to a depth of 1,500 ft. The company has also acquired an electric compressor having a capacity of 1,200 cubic ft. per minute, which will make an aggregate capacity of 1,700 ft. with existing equipment.

Metal Prices

New York—Sept. 25—

Copper: Electrolytic spot and future, 9c.

Silver: 49½c.

London—Sept. 25—

(Long Ton)—

Copper: Electrolytic spot, £30 10s; future, £31. Standard spot, £27 10s; future, £27 15s.

Tin: Spot, £232 12s. 6d; future, £229 2s. 6d.

Lead: Spot, £10 12s. 6d; future, £10 15s.

Zinc: Spot, £12 10s; future, £12 12s. 6d.

Silver: 22 1/16d. per ounce.

Gold: 141s. 2½d.

Canada—Sept. 25—

Gold: $33.89.

Expert Foresees New Deal For Newfoundland Mining

From Our Own Correspondent

ST. JOHN'S, NFLD. — Returning from a summer's work investigating all reputed discoveries of gold in the Island, Dr. A. K. Snelgrove, professor of geology at Princeton University, who accepted part time engagement from the Newfoundland government as geologist, declared that, as result of his investigations, "we shall now know clearly the conditions under which gold occurs and the possibility of tracing these conditions to hitherto unexplored territory."

Expressing his inability to make any statement on the result of his summer's work until his report had been presented to the Government, Dr. Snelgrove, when pressed for his opinion on whether gold existed in the regions examined, said that on the whole he was justified in saying "that while no gold mining operations, per se, were now being carried on, the prospects for Newfoundland entering the gold mining picture were promising." He added his belief that a number of places were likely to get a lot of attention for development shortly.

"What assurance will the outside prospector and investor have of stability in mining laws and regulations in view of past events showing the uncertainties under which prospectors and others have labored?" he was asked.

To Remodel Laws

"Naturally, I cannot express the attitude of the government," he said, "but you can make it perfectly plain that the old political system has been completely abandoned, and that under the Commission Government, who have a definite continuity of policy and a clear understanding and appreciation of the rights due prospectors and investors, those rights will be most securely guarded. It is proposed to remodel existing mining laws, and the new laws and regulations will be based largely on those of Ontario and Quebec; though, because of local conditions, they will be much simplified. No range lines or townships or topographical surveys exist here, as are found in those Canadian provinces, and for this reason, as for others, the act will be less detailed. But the general idea as laid down in the Ontario and Quebec acts will be followed out, in order to make prospecting and development work as attractive as possible.

"Furthermore the geological section of the Department of Natural Resources will co-operate with the prospector and developer in the field."

When he has had time to settle down and co-ordinate the result of field work, Dr. Snelgrove stated that a new field map, showing the geological relationship of each gold occurrence would be published before the end of the year, and he felt this would prove helpful to prospectors.

"I think you might say, for the interest of outside investors, that the new and revised mining laws will closely approximate those of Ontario, with a scale of fees on much the same basis as there. It is the desire of the Department of Natural Resources to establish sound and efficient regulations under which capital will find stable conditions in Newfoundland, and be able to avail itself of government information as a check on individual prospectors. This, added to effective surveys, both topical and geological, should prove of great value to mining undertakings in the clearer understanding of the possibilities of Newfoundland."

Dr. Snelgrove also referred to the geological work of Princeton University parties which operated under his direction this season in the Blomidon serpentine, and chromite formations in Bay of Exploits and at Pilleys Island. In the latter areas they had examined the stratified rocks which are of the type which continue into the interior, but are on the coast free from the presence of that glacial drift which so often hides them in the interior.

Dr. Snelgrove's work this season was, therefore, of a dual nature—he was engaged personally in making, with the assistance of Mr. Claude House, B.Sc. (permanent fulltime assistant government geologist) a mineral survey for the Government, and at the same time directing the Princeton party whose work was purely scientific. His own work this summer was exclusively devoted to investigations of reported gold prospects. The new geological map previously referred to will be in sections, on a large scale, and will very clearly set forth the result of these investigations.

His report on previous investigations of chromite deposits of the Island will be ready for release by the end of the week. He was anxious to get this report out as soon as possible to expedite development of some of these prospects.

Under a totally new set of conditions, with stability and understanding supplanting the vacillations and uncertainties of the old party political methods, the ground now seems cleared for prospecting and development work in the minerals of Newfoundland. And to that end the Government will add every facility it can place at the service of both these groups, providing accurate and scientific information in place of the exaggerated pictures of local prospectors and uncertainty of government attitude toward outside prospector or capital, coupled with stable mining regulations and advice from the Government Geological Department.

BUSINESS BETTER IN NEWFOUNDLAND IN PAST QUARTER

Fish Catch Average But Prices Higher — All Factories Active

Although returns from the fisheries indicate little improvement in the total catch over the comparatively small total of last year, some improvement in prices and a generally better feeling in business is reported from Newfoundland for the third quarter of the year. Comment on the operations of the Commission of Government is generally favorable and the reorganization is credited with much of the improvement in sentiment which is evident throughout the island. Lifting of the embargo on gold resulted in the release of about $2,000,000 of hoarded metal.

Mining, lumbering, local and newsprint manufacturing have continued active throughout the summer. Retail trade has been dull but this is the usual mid-summer condition. Twelve of the leading St. John's manufacturing industries have increased production and sales, it is reported.

Fish Prices Higher

The shore fishery is stated to be about average but is poorly distributed, some areas having had little success. Prices, however, are higher by about $1 per quintal, while rigid inspection has resulted in a higher grade of fish being produced. The total catch is estimated at about 1,100,000 quintals.

From another source, however, comes the report that the shore fishing this year is the best for some time and with a fair fall fishing the total catch would be about 300,000 quintals above last year.

Salmon Markets

Exports of frozen salmon are estimated at 2,100,000 pounds and fresh salmon at 400,000 pounds, with the catch about the same as last year. Early in the season the British market was good but later shipments have neither brought as good prices nor has the demand been as active.

Cod Oil Price Gains

Fishermen have benefitted from higher prices for cod livers, and cod oil prices have been considerably above last year at $80 as compared with $50 a year ago. Cod liver oil, on the other hand, has been in poor demand with prices quoted at 50 cents as compared with 70 cents last year.

Lumber and paper activities have continued all summer, some exports of lumber having taken place to Europe in addition to the regular trade in pulpwood. Paper mills have operated at or near capacity.

Mining Active

Iron ore mining at Bell Island has been on a considerably broader scale than last year despite friction with German buyers. No cargoes were cancelled, however, and the outlook is now better. Heavier shipments to Sydney, N.S., are predicted for the balance of the year. Production of the iron ore this year as compared with last follows:

Newfoundland Iron Ore Output

8 Mos. to Aug. 31	1934	1933
	tons	tons
Ore mined	319,464	198,061
Ore on surface	109,344	277,286
Ore shipped	475,771	114,166
	No.	No.
Men employed (aver.)	1,200	980

The lead and zinc properties at Buchans have been operating at capacity.

Remove Income Tax on Merchandise Agents

Removal of the tax on profits of United Kingdom agencies selling merchandise in Canada is announced. An Order-in-Council has been issued authorizing Minister of Finance E. N. Rhodes to sign on behalf of Canada an agreement with the Government of the United Kingdom, under which profits accruing from the sale of merchandise by United Kingdom agencies in Canada shall be exempt from income tax providing the same exemption is granted on profits accruing to Canadian agencies operating in the United Kingdom. The Order-in-Council is retroactive to April, 1930.

The agreement does not apply to sales of investments or securities, nor to sales from stocks held by agencies nor does it apply to profits from an agency exercising management or authority to negotiate contracts.

Authority to tax profits of foreign concerns doing business in Canada through salaried agents or by direct mail has been on the statute books since 1927 but it was only last year that announcement was made that this tax would be collected. The Financial Post understands that attempts to collect it have been unsuccessful, however. So far as can be learned authority to collect taxes from firms located in countries other than the United Kingdom still remains on the statute books.

Halifax Port Changes Top Wharfage Tariff

From Our Own Correspondent

MONTREAL. — Halifax Harbor Commissioners have announced a new top wharfage tariff, effective October 1, 1934, with a view to facilitating the movement of commerce through the port. There are no major changes in the rates, but the new tariff provides for the establishment of a cash ticket system where consignees will pay direct to the commissioners all top wharfage charges.

When the commission was formed in 1928, arrangements were made for the carriers to collect top wharfage charges as agents of the commission. This was a temporary expedient as it is not the practice at other important Canadian ports. With the new bylaw consignees will present cash tickets to the commission for payment before goods are released by the carriers.

Arrangements have been completed for firms of approved credit to establish a credit account with the commissioners, under such terms and conditions as the commission may require; otherwise all top wharfage charges must be paid for in cash.

Stanley Gold Mines Grows to Fully Equipped Plant

In a report issued by Stanley E. Siscoe, head of Stanley Gold Mines, Michipicoten, it is shown that this property in less than a year has grown from a raw prospect to an electrically powered mine with modern camp buildings and a plant capable of carrying operations to a depth of 1,000 ft. It is stated that the shaft is now 265 ft. deep with levels at 125 and 250 ft. Over 1,200 ft. of lateral work has been done on the two levels. Vein showings are reported by Mr. Siscoe to be "most satisfactory." To date operations on this property have been financed by Mr. Siscoe personally.

New Japan Trade

A trial shipment of 1,500 tons zinc concentrates from Kimberley, B.C., is en route to Japan for use by the Japanese Government.

Mining Stock Quotations

Week Ending September 24.

Par Val.	Range 1934 High	Low	Company	Sales	Close Sept. 17 (or last)	High for week	Low for week	Close Sept. 24
1	.06	.01	Aconda	1,000	.01	.01½	.01½	.01½
No	.33	.12	Aldermac	11,990	.15	.14	.12	.13
1	.10	.01½	Alexandria	63,400	.02	.02¾	.02	.02
No	.18	.05½	Algoma	5,400	.06	.07	.05¾	.05¾
1	.04	.01½	Amity Copper	4,000	.01½	.01½	.01½	.01½
No	4.51	2.00	Anglo-Huronian	1,600	4.01	4.25	4.01	4.10
1	.08½	.03	Area	3,200	.03½	.03½	.03	.03
No	.20	.02	Arno	......	.02	......	......	......
1	1.25	.34	Ashley	2,200	.38	.40	.34	.38
1	.18	.06	Astoria Rouyn	23,325	.07½	.07½	.06	.06½
1	.60	.04	Bagamac	26,200	.10	.10	.09	.09
1	.04½	.00½	Baldwin	23,500	.01½	.01½	.01½	.01½
1	.22	.09	Barry Hollinger	43,400	.10	.12	.09½	.11
1	2.05	.75½	Base Metals	7,350	.87	.89	.75½	.75½
1	.91	.16	B.E.A.R.	44,350	.24	.27	.23	.23
No	2.45	2.30	Beattie Gold	4,800	......	2.45	2.30	2.30
1	.51	.26½	Big Missouri	9,930	.32	.34	.30	.33
1	.75	.23	Bobjo	78,545	.43½	.47½	.42	.42
1	3.72	2.40	Bradian	429	2.72	2.75	2.55	2.55
No	17.00	9.90	Bralorne	2,475	14.25	15.25	14.50	15.25
1	1.50	.20	Brasil Gold	800	.40	.40	.20	.20
1	.16	.03	Brett Trethewey	......	.04	......	......	......
50c	1.41	.28½	Bridge River Ex.	159,575	.59	.84	.60½	.72
1	.09	.01½	Brownlee	42,100	.03	.03	.02½	.02½
1	.02½	.00½	Buckingham	500	.00½	.00½	.00½	.00½
1	3.98	1.90	Buffalo Ankerite	33,000	3.57	3.80	3.55	3.65
No	.14	.03½	Buffalo Can.	11,000	.04½	.04½	.03½	.03½
5	37.50	23.50	Bulolo Gold	1,100	35.75	37.05	35.65	37.05
No	.07½	.03	Bunker Hill (new)	5,320	.05	.05	.03	.04½
5s	1.20	1.00	B'Wana McKubwa	......	1.20	......	......	......
No	.14	.02½	Canam Metals	2,700	.03	.04	.04	.04
1	.20	.05	Can. Kirkland	32,600	.06	.06½	.05½	.05½
No	.78	.38	Can. Malartic	18,855	.65	.70	.63	.64
1	.02½	.00½	Capital Rouyn	3,000	.00½	.00½	.00½	.00½
1	2.85	1.00	Cariboo Gold	950	1.20	1.30	1.25	1.25
1	.09	.01	Cartier Malartic	10,200	.05½	.06	.05½	.06
1	.81½	.49	Castle Trethewey	7,900	.56	.56	.54	.54
1	.16	.07	Cen. Manitoba	13,500	.09	.10	.09	.10
1	1.25	.54	Cen. Patricia	46,400	1.08	1.17	1.05	1.10
No	.16½	.05½	Chibougamau Pros.	147,500	.11½	.14	.12	.12½
1	.15½	.04½	Church. M. & Mill	9,200	.08	.08	.05½	.06
No	.14	.03½	Clericy	9,850	.04	.04	.03½	.03½
1	.03½	.01	Clifton Cons.	13,000	.01	.01	.01	.01
5	5.75	2.80	Coast Copper	900	3.00	3.60	3.00	3.00
1	.06½	.02	Cobalt Contact	10,000	.02½	.03	.02½	.03
No	.94½	.20	Columario	13,250	.28	.28½	.26½	.28½
5	2.45	1.35	Coniagas	200	2.00	2.00	2.00	2.00
No	1.60	.97	Coniaurum	6,245	1.35	1.49	1.36	1.39
25	170.25	118.00	Cons. Smelters	603	125.00	133.00	125.00	130.25
25c	.39	.31	Crown Cons.	23,800	.38	.39	.37½	.39
No	45.50	32.25	Dome Mines	1,620	40.50	43.00	41.25	41.75
1	.12	.10	Dom. Explorers (new)	125	.10	.11	.11	.11
1	.02½	.00½	Dominion Kirk.	88,000	.01	.02	.00½	.01½
1	.17½	.01	Duparquet	15,975	.07	.07	.06	.06½
1	4.35	1.76	Eldorado	10,328	2.35	2.45	2.30	2.30
No	4.15	3.00	Falconbridge	2,845	3.65	3.80	3.60	3.75
1	.11½	.01½	Federal	1,000	.03	.03	.03	.03
No	.07	.02	Gilbec	10,500	.03	.02½	.02	.02
No	4.30	.70	God's Lake	47,650	2.10	2.28	2.07	2.10
1	.30	.08	Goldale	19,550	.21	.20½	.17	.17½
50c	.47	.34	Gold Belt	......	.34	......	......	......
10	.57	.16	Goldfield	300	.18	.18	.18	.18
1	.43	.15	Goodfish	13,350	.15	.17	.15	.16
1	.18½	.02½	Graham Bosquet	52,300	.07½	.07½	.05½	.06
1	1.09	.50	Granada Gold	6,625	.55	.59	.54½	.57
No	.53	.20	Grandora	7,800	.25	.25	.21	.22
1	1.22	.66	Greene Stabell	62,835	.73	.78	.72	.76
1	.18	.05	Groselle	1,800	.08	.08	.08	.08
1	.48	.08½	Grull Wihksne	2,800	.09	.10	.09	.09
1	2.50	1.28	Gunnar Gold	31,540	1.85	2.00	1.75	1.80
1	.53½	.11	Halcrow Swayze	13,000	.12½	.12½	.11	.11½
1	.15	.03½	Harker	20,200	.07½	.08½	.07½	.08½
1	.02½	.00½	Hilltop	1,000	.00½	.00½	.00½	.00½
5	21.65	11.40	Hollinger	45,807	19.50	21.65	19.60	20.65
1	1.40	.93	Howey Gold	9,950	1.22	1.26	1.21	1.21
No	15.00	9.00	Hudson Bay	866	13.00	13.75	13.00	13.50
1	14.25	10.45	Inter. Mining	......	13.75	......	......	......
1	6.25	4.00	Do., Pur. Warr.	......	5.85	......	......	......
No	29.00	21.15	Int. Nickel	16,666	23.25	24.12	23.25	23.75
1	.48	.28	J.M. Cons. Gold	37,640	.33	.35	.33	.33
1	.03	.00½	Keora Mines	5,000	.01	.01½	.01	.01
1	.39½	.23	Kirkland Cons.	61,450	.37½	.39½	.36½	.38
1	.73½	.42	Kirk. Hud. Bay	500	.42	.45	.45	.45½
1	.05	.00½	Kirk. Hunton	7,000	.01½	.01½	.01	.01
1	.79½	.29	Kirkland Lake	205,630	.65	.79½	.64	.74½
1	.40½	.20	Kirk. Townsite	4,800	.24	.23	.21½	.21
20c	.02½	.01	Koot. Florence	5,000	.01½	.01½	.01½	.01½
1	.23	.02	Lakeland	7,300	.03	.03	.02½	.02½
No	.18	.05½	Lake Maron	17,500	.06	.06½	.05½	.05½
1	58.30	42.00	Lake Shore	4,375	54.00	58.30	54.00	57.30½
1	.48	.23	Lamaque Contact	28,000	.30	.29	.23	.27
1	.26	.06	Lebel Oro	142,300	.07½	.09½	.07	.07
1	.22	.08	Lee Gold	25,200	.12	.12	.10	.10
No	7.75	4.05	Little Long Lac	13,205	5.70	6.65	5.70	6.50
1	3.05	1.85	Macassa	37,530	2.73	2.85	2.65	2.75
1	.08½	.01½	Malrobic	25,000	.03	.03½	.02½	.02
No	.17	.05	Mandy	2,400	.05	.10	.09	.10½
No	.40	.21½	Man. & Eastern	41,500	.29	.32½	.28	.30
1	1.00	.21½	Maple Leaf	75,600	.26	.26	.21½	.25
5	50.00	39.25	McIntyre	635	43.50	45.50	44.00	45.50½
1	1.74	1.01	McKenzie Red L.	40,275	1.43	1.52	1.41	1.45
1	.75	.50	McKinley	131	.70	.71	.65	.71
No	.06½	.01½	McLeod River	27,500	.02½	.02½	.02	.02
1	.75	.39	McMillan	11,015	.60½	.64	.61	.62½
No	.55½	.25	McWatters	11,800	.46	.47	.45	.45
1	1.21	.39½	McVittie	28,652	.50	.55	.46	.52
5	1.50	.50	Mentor Exp. & Dev.	......	.50	......	......	......
No	2.47	1.45	Mining Corp.	2,450	1.46	1.55	1.45	1.45
1	.08½	.02½	Moffatt Hall	40,700	.04½	.04½	.03½	.03½
1	.20	.08½	Moneta	1,500	.13½	.12	.11	.11
1	.04	.01½	Murphy	14,000	.01½	.01½	.01½	.01½
No	.09½	.02	Newbec	5,000	.02½	.02½	.02½	.02½
1	.06½	.03	Night-Hawk Penn.	13,000	.05	.06	.04½	.05½
5	2.85	2.00	Nipissing	10,153	2.50	2.77	2.53	2.66
No	45.05	33.25	Noranda	2,882	37.50	40.00	37.50	38.75
No	.54	.22	Nor. Canada	35,000	.28	.35½	.26	.33½
1	.27	.07	Osisko	1,000	.09½	.09½	.09½	.09½
1	.72	.25	Parkhill	27,200	.31	.33½	.30½	.32
1	.06	.01½	Pawnee Kirk.	15,000	.02½	.02½	.02	.02
1	.31½	.19	Paymaster	88,135	.26	.27	.25	.26½
1	1.40	.50	Pend Oreille	1,210	.55	.55	.50	.50
1	.06½	.01½	Peterson Cobalt	36,100	.03	.03	.02½	.02½
1	1.90	1.26	Pickle Crow	92,770	1.61	1.90	1.62	1.78
1	14.15	10.30	Pioneer Gold B.C.	16,450	11.25	12.10	10.75	10.75
1	.08½	.01½	Porcupine Crown	8,500	.03½	.03½	.03½	.03½
1	.03	.00½	Potter Doal	21,500	.01½	.01½	.01	.01
1	1.75	1.02	Premier Gold	19,775	1.24	1.35	1.24	1.30
1	.06½	.01½	Preston E. Dome	3,000	.02½	.02½	.02½	.02½
No	.60	.30	Prospectors Air's	400	.40	.40	.40	.40
1	.70	.15	Quebec Gold	16,200	.19	.20	.18½	.19½
No	.15	.05	Quemont	......	.10	......	......	......
1	1.73	.27	Read Authier	27,443	1.40	1.47	1.21	1.23
1	1.29	.75	Reno Gold	4,745	.85	.91	.83	.87
1	.02½	.00½	Ribago	5,500	.00½	.01	.00½	.00½
1	.05½	.01½	Ritchie	19,000	.02½	.02½	.02½	.02½
1	.11½	.02½	Robb Montbray	74,900	.02½	.03½	.02½	.03
1	6.30	1.75	San Antonio	27,098	4.95	5.80	5.00	5.35
1	1.43	.50	Sherritt Gordon	33,300	.56	.56	.50	.50
1	2.88	1.43	Siscoe	42,190	2.56	2.73	2.56	2.60
1	4.00	3.00	South Amer. Gold	600	3.00	3.30	3.20	3.25
1	.07½	.02½	South Keora	18,700	.03½	.04½	.03½	.04½
No	.26½	.09	South Tiblemont	312,170	.11	.13½	.09½	.10
No	.46	.08½	Stadacona	42,675	.33	.34½	.31	.31
1	.65	.31	St. Anthony	37,550	.52	.53	.50	.51
No	2.00	1.00	Sudbury Basin	1,845	1.40	1.47	1.42	1.46
1	.16½	.05	Sudbury Contact	1,000	.09	.09½	.08½	.08½
1	.11½	.00½	Sudbury Mines	20,500	.07½	.07	.06	.06½
1	.63	.44	Sullivan Cons.	25,547	.45	.54	.45	.50
1	3.20	1.29	Sylvanite	37,310	2.79	2.95	2.75	2.85
1	8.05	4.13	Teck Hughes	157,555	4.85	4.81	4.13	4.17
1	.59	.20	Thom. Cadillac	34,281	.50	.50	.47½	.48
1	.02	.01½	Temiskaming	......	.01½	......	......	......
1	.78	.26	Towagmac	6,100	.36	.35	.30	.35
1	.85	.25	Treadwell	800	.25	.30	.30	.30
No	.02½	.01	Vacuum Gas	7,500	.01½	.01½	.01½	.01½
No	1.12	.77	Ventures	30,720	.96	1.01	.95	.98
1	.03½	.01½	Vickers	6,500	.01½	.01½	.01½	.01½
No	1.53	.78	Waite Amulet	5,324	.78	.80	.76	.80
50c	.50	.06	Wayside Cons.	56,000	.09½	.10	.09½	.09½
No	.43	.16½	White Eagle	24,900	.18	.19	.16½	.17
1	.07½	.01½	White Lake	1,000	.02	.01½	.01½	.01½
1	.18	.05	Wiltsey Coughlan	7,800	.07½	.07½	.07	.07½
1	.20	.05	Wood Kirkland	3,700	.11	.12	.10	.11
No	10.25	6.75	Wright-Hargreaves	12,683	8.80	9.50	8.65	9.30
			OIL STOCKS					
No	.33	.17	Acme Gas & Oil	10,050	.18	.19½	.17½	.19
1	.20	.09	Admiral	......	.20	......	......	......
1	1.60	.90	Ajax	3,150	.90	.96	.90	.90
1	.25	.08	Alta. Pacific	2,000	.10	.09	.09	.09
No	.35	.12	Associated	1,300	.13	.14	.12	.14
No	.13	.03	Baltac	2,400	.04	.04	.03	.03
No	1.60	.60	Calgary & Ed.	1,100	.70	.70	.68	.68
1	.15	.05	Calmont	1,800	.07	.06½	.06½	.06½
No	.12	.04	Common. Pete	400	.04	.05	.05	.05
No	.65	.25	Dalhousie	1,300	.30	.36	.35	.36
No	.30	.09	East Crest	2,000	.10½	.10½	.10	.10
No	.58	.07	Erie Gas	500	.09	.11	.11	.11
No	.75	.25	Foothills	......	.25	......	......	......
No	.25	.20	High Sarcee	......	.23½	......	......	......
No	1.90	.85	Home	1,925	.88	.90	.85	.90
1	.25	.14	Homestead O. & G.	4,000	.17	.17½	.17½	.17½
No	.44	.12	Lowery	......	.18	......	......	......
No	.42	.19	Merland	100	.22	.22	.22	.22
1	.48	.10	Midwal Oil	......	.12	......	......	......
1	.33	.17	Model	3,035	.21	.20	.20	.20
5	.17½	.05	Nordon	3,500	.06½	.07½	.07	.07
No	.09	.03	Oil Selections	2,000	.03½	.03½	.03½	.03½
No	.34	.08	Olga Gas & Oil	591,400	.10½	.19½	.10	.16½
			Petrol Oil & Gas	......	.55	......	......	......
No	19.55	13.00	Royalite	617	13.75	14.00	13.00	13.50
1	.13	.04½	Sarnia Oil	3,100	.05	.07	.04½	.07
No	.17	.07	South West Pete.	......	.15	......	......	......
No	1.00	.63	Wainwright West	6,300	.88	.95	.88	.93

VANCOUVER STOCK EXCHANGE

(Transaction for Week to September 21.)

Par Val.	Range 1934 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept. 21
1	.09½	.01½	Alexandria	3,500	.01½	.02	.01½	.01½
25c	.03½	.01	Bayview	20,400	.03	.03	.02½	.03
20c	.08½	.03	Beaver Silver	21,700	.05	.06½	.05	.06½
25c	.03½	.01	Bluebird	......	.01	......	......	......
1	3.70	2.10	Bradian Gold	2,970	2.71	2.75	2.60	2.60
No	16.95	9.85	Bralorne	1,718	14.50	15.00	14.00	15.00
1	.48	.09½	Bridge River Cons.	49,350	.10½	.12	.09½	.12
50c	1.40	.28	Bridge River Exp.	179,515	.68½	.83	.64½	.82
50c	.27	.15	B. R. Mountain Gold	800	.20	.15	.15	.15
1	1.75	.51½	B. C. Nickel	67,050	.67	.80	.65	.70
1	1.25	.90	B. C. Silver	150	.95	1.00	1.00	1.00
50c	.29	.08	Butte I.X.L.	......	.09	......	......	......
50c	.24	.14	Canadian Rand	500	.15	.14	.14	.14
1	2.90	1.00	Cariboo Gold	4,358	1.25	1.35	1.15	1.30
No	12.60	8.75	Coast Breweries	490	9.95	9.75	9.50	9.50
1	.51	.28	Congress Gold	5,600	.41	.39	.30	.33
25c	.02	.00½	Cork Province	......	.00½	......	......	......
1	.08	.05	Cotton Belt	......	.05	......	......	......
1	.06	.01	Dalhousie Mines	500	.03	.02½	.02½	.02½
No	2.07	.25	Dentonia	6,500	.49	.51	.48	.50
No	.07½	.05½	Dictator Gold	2,100	.07	.07	.05½	.05½
1	.45	.14	Dunwell	2,950	.21	.20	.18	.18
No	.44½	.15	Fairview Amal.	5,100	.18	.19	.18	.18
1	.12	.07½	Federal Gold	......	.10	......	......	......
1	.42	.25	George Copper	......	.25	......	......	......
50c	.02½	.01½	George Enterprise	......	.01½	......	......	......
1	.06½	.01	Georgia River	6,000	.01	.01	.01	.01
50c	.08	.01	Glacier Creek	3,700	.04½	.05	.04	.04
1	.63	.30	Golconda	1,200	.33	.31	.31	.30
5c	.20	.06	Golconda Ex.	......	.13	......	......	......
50c	.63½	.27	Gold Belt	525	.33	.35	.30	.35
50c	.51	.25	Gold Mountain	1,000	.30	.25	.25	.25
50c	.06	.01½	Grandview	3,000	.02	.01½	.01½	.01½
No	.38	.16	Grange Mines	30,610	.25½	.26½	.25	.26
1	.50	.07	Grull Wihksne	1,800	.08	.08	.07½	.08
No	.16	.04	Haida Gold	......	.07½	......	......	......
25c	5.80	5.25	Hecla	......	5.25	......	......	......
50c	.34	.18	Hedley Amal.	1,800	.31	.32	.31	.31
No	.50	.23	Hedley Sterling	......	.24	......	......	......
1	.09½	.03½	Hercules Cons.	160,900	.04	.04	.03½	.04
No	.28	.07	Home Gold	19,100	.14	.14	.13½	.13½
1	.04	.01½	Independence	......	.02	......	......	......
1	.04	.01	Indian Mines	......	.01½	......	......	......
1	.15½	.10	Inter'l Coal	......	.13	......	......	......

Par Val.	Range 1934 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept. 21
1	.42	.29	Jack Waite	......	.31	......	......	......
50c	.65	.19	Kootenay Belle	3,500	.40	.51	.48	.50
25c	.02	.00½	Kootenay King	......	.00½	......	......	......
1	.01½	.00½	Lakeview	7,000	.01½	.01½	.01½	.01½
10c	.06	.02½	Lucky Jim	......	.03	......	......	......
No	.40	.11	Mak Siccar	1,000	.23	.23	.23	.23
50c	.01½	.00½	Marmot Metals	......	.00½	......	......	......
1	.14	.09½	McGillivray	......	.09½	......	......	......
10c	.33	.08½	Meridian Min.	40,150	.10	.13½	.09½	.13½
5c	.04	.03½	Metaline Metals	......	.03½	......	......	......
No	.85	.13	Minto Mines	41,050	.22	.22	.20½	.21
1	.27	.26	Mont'y Ackerman	......	.27	......	......	......
50c	.46½	.13	Morning Star	17,200	.15	.16	.14	.15
1	.05½	.00½	Morton Woolsey	3,750	.01½	.02	.01½	.01½
50c	.09	.03	National Silver	5,000	.03	.03½	.03½	.03½
50c	1.36	.20	Nicola	51,350	.31	.36	.30	.36
50c	.17	.06½	Noble Five	12,200	.06½	.07½	.06½	.07
No	.26½	.10	Norgold	20,400	.25	.26	.23	.24
1	.54	.12½	Pavilion	5,200	.48	.48	.47	.47
1	14.25	10.50	Pioneer Gold	3,765	11.60	11.75	10.50	11.60
50c	.18	.06	Porter Idaho	6,000	.08½	.08½	.08½	.08½
No	.02½	.00½	Premier Border	1,500	.01	.01	.01	.01
1	.06	.03	Quatsino Copper	500	.03	.03	.03	.03
50c	.19	.06	Red Hawk	......	.08	......	......	......
No	.27	.09	Reeves McDonald	......	.12	......	......	......
1	1.25	.75	Reno Gold	11,700	.85	.92	.83	.86
1	.15	.04	Reward Mining	9,000	.06	.06	.05	.06
No	.27	.09	Richfield Cariboo	......	.09	......	......	......
1	.03½	.01	Rufus Argenta	......	.01½	......	......	......
1	.05	.02	Ruth Hope	......	.02	......	......	......
1	.55	.25	Sally Mines	2,500	.35	.33	.30	.30
50c	.35	.10	Salmon Gold	18,300	.23	.23	.20	.22½
1	.09	.04	Silverado	......	.04	......	......	......
25c	.04½	.02	Silvercrest	......	.02	......	......	......
20c	.17	.04	Silversmith	......	.10	......	......	......
50c	.03½	.01	Snowflake	10,000	.01½	.01	.01	.01
25c	.04	.02	Sonora	......	.04	......	......	......
1	.46	.07	Standard Gold	600	.10	.08	.07	.07
10	8.65	4.75	Sunshine	200	8.25	8.25	8.10	8.25
1	.28	.20	Sunloch	......	.20	......	......	......
No	1.20	.29	Taylor Bridge	16,100	.31	.35	.29	.32
1	.65	.34½	Taylor Windfall	4,250	.35	.38	.34½	.38
5	.25	.20	Torie	......	.20	......	......	......
50c	.35	.04½	United Empire	48,250	.34½	.35	.30	.30
No	3.50	1.40	Vidette Gold	1,645	1.75	1.78	1.70	1.70
No	.21½	.05	Viking Gold	4,600	.09½	.09	.08	.08½
No	.27½	.08	Waterloo Gold	5,800	.09	.10	.08½	.09
25c	.03	.01	Waverly Tangier	48,270	.01½	.01½	.01	.01½
50c	.47	.06½	Wayside	12,100	.09½	.10½	.09½	.09½
20c	.03½	.01½	Wellington	......	.01½	......	......	......
No	.44	.18½	White Eagle	1,000	.21	.18½	.18½	.18½
1	.10½	.04	Whitewater	......	.05	......	......	......
			OIL STOCKS					
1	.15½	.06	Amalgamated	2,200	.07	.09	.08	.09
1	.08	.03	Anaconda	4,000	.04	.03½	.03½	.03½
1	.10	.07	Brit. Dominion	......	.09	......	......	......
1	.11½	.03	Crow's Nest	5,800	.03	.05	.05	.05
No	.09½	.03	Devenish	......	.04	......	......	......
No	.01½	.00½	Fabyan Pete	22,000	.00½	.00½	.00½	.00½
No	.16½	.06	Freehold	3,460	.08	.07½	.07	.07½
No	.13	.04	Hargal	......	.04½	......	......	......
No	.35	.14	High Sarcee	......	.16½	......	......	......
No	.05	.00½	Madison	......	.00½	......	......	......
No	.35	.05	Marjon Oil	5,700	.08	.09	.08	.09
No	.05½	.02½	McD. Segur Ex.	......	.02½	......	......	......
1	.47	.25	McLeod	1,500	.30	.34	.30	.30
No	.22	.12	Mercury	4,470	.14½	.14	.13	.14
No	.22	.10	Mill City Pete	35	.10	.10	.10	.10
No	.18	.05	Okalta	2,150	.05½	.05	.05	.05
100	30.00	18.00	Do., pref.	......	30.00	......	......	......
No	.17	.04½	Pacalta Oil	1,000	.05	.04½	.04½	.04½
1	.75	.14	Ranchmen's	100	.70	.55	.55	.55
No	.04	.02½	Richfield	......	.02½	......	......	......
1	.42	.20	Spooner	100	.29	.30	.30	.30
No	.11½	.03½	United	1,100	.04½	.04½	.03½	.04½
No	.50	.11	Vanalta	3,500	.11	.11½	.11	.11½
1	.20	.10	Vulcan	......	.11	......	......	......
1	.35	.07½	Wellington Oil	......	.08	......	......	......

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Acme Gas†	2c.	.....	McIntyre	$2	4.39
Ajax Oil	8c.	8.88	Mercury Oils‡	4c.	.....
Bralorne	60c.	3.93	Merland Oils‡	5c.	.....
Buff. Ankerite	10c.	2.74	Model Oils	3c.	.....
Bulolo Gold‡	60c.	.....	Nipissing	12½c.	.....
Coast Brew.	92c.	9.68	Noranda‡	$1	.....
Coniagas‡	12½c.	.....	Petrol Oil‡	3c.	.....
Cons. Smelters	1.00	.....	Premier	12c.	9.23
Dome Mines	$2+$1.50	8.38	Pioneer, B.C.	80c.	7.44
Falconbridge	5c.	.....	Royalite	50c.	3.70
Hollinger	65c.+50c.	5.56	San Antonio†	5c.	.....
Howe Sound	$3	.....	Siscoe	12+5c.	6.53
Howey Gold	6c.	.....	So. Amer. Gold	10c.	.....
Int. Coal & Coke‡	1c.	.....	Sylvanite	30+5c.	8.77
Int. Nickel c.	15c.	.....	Teck-Hughes	40c.	9.38
Lake Shore	$2+$1	5.23	Toburn	8c.	.....
			Wright-Har.	40+15c.	5.91

‡Interim. †Initial.

Unlisted Mining Stocks

September 25, 1934

	Bid	Asked		Bid	Asked
Adanac	...	.22	Lafayette L. Lac	.10	.13½
Algoma Summit	.47	..	Longlac Inlet	.32	.37
Ardeen	.14	.17	Long Lac Lagoon	.31	.33
Afton	.30	.33	Lamaque Gold	1.65	1.70
Arntfield Gold	.80	.90	Lamaq. Cont. U.	..	100.00
Arntfield Synd.	.80	.88	Langmuir L. Lac	.35	.38
Bailor Gold	.16	.19	Long Lac Synd.	2.00	2.50
Bankfield Gold	1.10	1.12	McFarlane L. Lac	.44	.48
Bathurst	.05½	.05½	MacL. Cockshutt	.67	.70
B. C. Nickel	.67	.72	Magnet Lake	.30	.32
Black River	..	.25	Mandalay	..	.24
Big Long Lac	..	.18	Marbuan	.68	.74
Bur-Ley Long Lac	.18	.20	Matachewan Can.	.16	.18
Burroughes Long Lac	32.00	36.00	Metals Devel.	.03½	.05
Bidgood Cons.	.02	.03½	Middle Bay	.18	.24
Bidgood Kirk.	.21	.26	Minefinders	2.00	3.50
Birch Bay	..	.22	Montague Gold	3.50	4.00
Bosquet Gold	.20	..	Murwood	.36	.40
Brennan Kenty	.60	.63	Mosher Gold	.28	.30
Can. Pandora	.14	.15	Neville Can.	.49	.51
Canusa Mining	.06	.08	North Shores	.26	.27
Casey Contact	.41	.44	Payore Mines	.27	.30
Casey Summit	..	.67	Peninsular Pete.	.00½	.01
Cent. Porc.	.43	.45	Pontiac Rouyn	.40	.50
Cochenour Wil.	110.00	135.00	Powell Rouyn	1.00	1.06
Columario (old)	.17	.19	Queen Lebel	.20	.23
Continental Kirk.	.07	.09	R'mond Tiblemont	.18	.20
Crown Reserve	..	.04	Red. L. Gold	..	.18
Cuniptau	..	.48	Rice Lake	.32	.35
Dennison Cop.	..	.03	Rouyn Reward	.44	.47
Dunlop Cons.	.04½	.04½	Roche Long Lac	.22	.24
El Bonanza	.18	.20	Rubec	.01½	.02½
Forty-Four Gold	..	13.75	Sakoose	.32	.37
Glenora Gold	..	.15	Shawkey	.49	.51
Gold Eagle	..	.49	Sigma	2.50	2.75
Golden Long Lac Unit	..	30.00	Smelter Gold	.33	.34
Gr. Bear Lake M.	.13	.17	So. Shore Gold	22.00	30.00
Gabrielle	.80	.83	Talisman	.42	.46
Hardrock	.90	1.00	Tashota Goldfield	.55	.60
Hardrock Un.	..	87.00	Tiblemont Island	.92	1.00
Horseshoe	.04	.05	Toburn	1.38	1.43
Herbin Lake Un.	..	23.00	Tyche L. L.	.14	.17
Island Lake	..	.10	Vanguard L. Lac.	.26	.29
Jellicoe	.17	.19	Vanquelin Sifton	.15	.18
Karl Springer Ex.	7.00	8.00	Vermilion L. Sh.	30.00	32.00
Keyroc Gold	.17	.20	Wendigo	..	.84
Kirk. Gold Belt	..	.25	Witch Bay Gold	..	5.75
Kow Kash (Tashota)	.07	.09	Wells L. Lac	.27	.29
Lake Caswell	.48	.55	West-Side L. Lac	..	.23
La Roche	.10	.11½	Wingold	.36	.38
			Young David	.30	.34
			Ymir Y. Girl	.42	.47
			West R. Lake	..	.27

Source of quotations on application. Not guaranteed.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

September 25, 1934

Industrial Stocks:	Bid	Asked	Insurance Stocks:	Bid	Asked
Acadia Sugar c.	2.50	2.80	British America	31.00	....
Acadia Sugar pfd.	4.30	4.70	Canada Life	435.00	....
Allens London pfd. bonus com.	36.00	....	Canadian Fire	56.00	60.00
Allens St. Cath. pfd. bonus com.	36.00	....	Confed Life 20% pd.	125.00	130.00
Allens Toronto pfd. bonus com.	26.00	....	Cont. Life 20% pd.	36.50	39.00
Atlant. Sugar pfd.	89.00	91.50	Crown Life	100.00	....
B.C. P. & P. pfd.	9.00	12.00	Dominion Fire	94.50	....
Burns pfd. bon. c.	2.10	3.00	Dom. Life 50% pd.	180.00	....
Can. Dom. Sugar	45.75	47.00	Dom. Can. Gen.	100.00	105.50
Canada Mach. c.	1.05	1.75	Emp. Life 25% pd.	9.00	11.00
Can. Packers, c.	32.00	34.00	Excel. Life 30% pd.	76.00	....
Can. Packers pfd.	99.00	101.00	Fed. Fire 25% pd.	36.50	....
Can. Starch pfd.	83.00	....	Great West Life	365.00	385.00
Can. Starch c.	12.00	....	Guar. of N. A. fully pd.	211.00	....
Can. W. & C. pfd. WW	64.00	67.50	Guar. of N. A. 20% pd.	40.00	....
Can. Indust. A.	160.00	....	Imperial Life	287.00	....
Can. Indust. B.	158.00	162.50	Manufac. Life	225.00	....
Can. Indust. pfd.	140.00	143.00	Mon. Life 10% pd.	17.75	21.00
Can. Westinghouse	48.50	51.00	Nat. Life 25% pd.	53.00	....
Chase, pfd. bon. c.	23.00	25.00	Sov. Life 25% pd.	12.00	16.00
Dom. F. & Steel c.	8.00	9.00	Sun Life	290.00	315.00
Dom. F. & Steel p.	55.00	64.00	West. Assur. com.	30.00	34.00
Dom. Manuf. pfd.	68.00	....	West. Assur. pfd.	31.00	....
Dom. Woollens c.	1.50	2.50	West. Empire Life	....	13.00
Dunlop Tire pfd.	70.00	74.00	West. Life 20% pd.	8.50	12.00
East. Dairies pfd.	7.00	10.00	**Trust & Loan Stocks:**		
Federal Grain c.	1.00	2.15	Chartered Trust	66.00	70.50
Federal Grain p.	17.00	20.00	Lond. & West. Tr.	....	40.00
For. Power Sec. p.	9.00	11.50	Premier Trust	85.50	91.00
Freiman pfd.	55.50	59.00	Sec. Loan & Sav.	98.50	....
Gen. Stl. Wares p.	31.00	33.00	Sterling Trust	....	45.00
Goderich Elev.	5.00	6.25	Traders Fin. B pfd.	50.00	....
Greening Wire pfd. X.D.	70.00	74.00	Trusts & Guar.	....	42.50
Guardian Realty p.	12.00	....	Vic. Tr. & Sav.	116.00	127.00
Guelph Carpet p.	85.50	88.00	Waterloo Tr. & Sa.	78.50	85.00
Guelph Carpet c.	10.50	12.50	**Investment Trust Shares:**		
Harding Carpets Units	29.00	33.00	Can. Gen. Invest.	5.10	5.30
Hayes Wheels pfd.	7.50	10.00	Can. Investors	3.75	5.00
Highland Dairy c.	3.00	4.00	Can. Int. Inv. Tr. Units	19.00	....
Highland Dairy p.	65.00	70.00	Can. Invest. Fund	3.15	3.35
Inter City Bak. c	16.25	18.00	Cons. Div. Standard Sec. Units	10.00	13.00
Int. Met. Indust. pfd.	30.00	38.00	Debent. & Sec. p.	21.00	....
Inter. Paints pfd.	12.00	14.50	Dom. & Anglo Inv. Units	171.00	....
Inter. Propriet. A.	36.25	37.00	Dom. Scottish Inv. Units	22.00	25.50
Loew's London p.	3.50	4.50	Inv. Found. Units	35.00	37.00
Maclaren Pwr. c.	15.00	....	Sec. Holding Units	10.00	12.50
Mans. Theat. pfd.	24.00	28.50	United Corpns. A	10.25	11.50
Massey Harris pfd.	18.00	19.00	United Corpns. B	2.50	3.00
Mt. Royal Hotel p.	1.50	2.75	**Power Issues:**		
Nat. Grocers com.	3.50	4.00	Calgary Power pf.	88.00	90.50
Nat. Grocers pfd.	....	117.00	Can. L. & P. com.	19.50	....
New Method Laund. pfd. bonus	52.50	....	Can. W. Nat. Gas L.H.&P. pfd.	90.00	94.00
Niag. W. Weav. pf.	36.50	....	Great Lakes P. pf.	40.00	....
Para. Kitchener p.	38.00	....	Marit. T. & Tl. pf.	12.50	14.00
Para. Oshawa pfd.	44.00	....	N. B. Tele. com.	9.50	11.00
Perfection Pete. p.	13.50	18.00	N. S. L. & P. com.	41.50	45.50
Prov. Paper pfd. X.D.	79.00	82.00	N. S. L. & P. pfd.	86.00	90.00
Reliance Gr. pfd.	65.50	70.00	**Recent London Quotations:**		
Rob. Cons. Conc.	7.00	8.25	Brit. Col. Tele. pfd.	....	$105
Rolland Paper c.	8.25	10.00	Brew. & Distillers	....	3s. 3d.
Rolland Paper pfd. W.W.	75.50	78.00	Canada Company	....	7s. 6d.
Ruddy, E. L. pfd.	13.00	15.50	Can. & For. Secs.	....	4s. 6d.
Standard Fuel pfd. bonus	95.00	98.00	Can. Collier A inc. stk.	....	38
Supersilk H. pfd.	50.50	57.00	Do., B	....	7½
Thayers com.	6.00	6.75	Can. N. W. Land	....	£11
Thayers pfd.	....	30.00	Can. West. Lumber	....	1s. 9d.
Western Grain pfd. bonus	3.00	6.50	Hudson's Bay	....	24s. 3d.
			Do., pref.	....	102s. 6d.
			Imp. Tob. (Can.) 6% pfd.	....	37s. 6d.

PRESSURE DECLINE IN TURNER VALLEY SLIGHTLY CHECKED

Drops From .45 Pounds a Day in 1933 to .35 in 1934

In view of publicly expressed misgivings in respect to the continued supply of gas from the Turner Valley field, the Provincial Government report on the recent general test is being cheerfully received by those financially interested in this area.

In spite of Government conservation measures, the major portion of gas tapped in Turner Valley is wasted to enable the extraction of naphtha. Since Turner Valley companies are allowed to withdraw about 200,000,000 cu. ft. of gas from the structure daily there has been a slow but steady decline in gas pressure. However, the official test shows that the decline has dropped from a rate of .45 pounds a day in 1933 to .35 pounds a day in 1934, thus indicating that the decline has been checked to some extent.

Pressure 820 Pounds to Sq. Inch

Partly due to the policy of the Royalite Co. in closing down certain small producers and thus permitting an accumulation of gas in the underlying porous horizon, the average gas pressure of Turner Valley wells is 820 pounds to the square inch and in one case, the government officials report the pressure has actually increased during the past year.

While exceedingly high pressures are still being encountered in Turner Valley, they are found in an area considerably south of the oil boom development of 1929 and 1930. The government report states that underlying the south end of the field is a large reservoir of naphtha-laden gas. However, the report notes that districts which were noted for prolific production in 1930 have shown marked signs of depletion of late.

Teck-Hughes

Can Teck-Hughes come back?
An interesting discussion of the present situation and future outlook is contained in the current issue of

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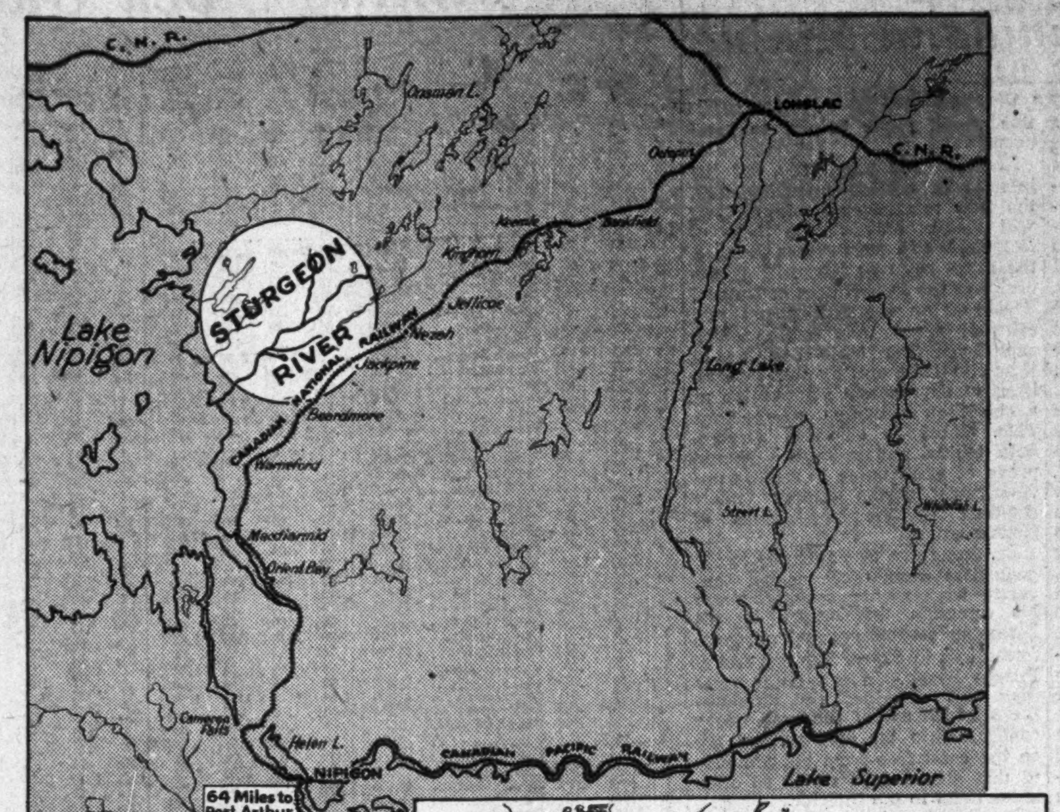
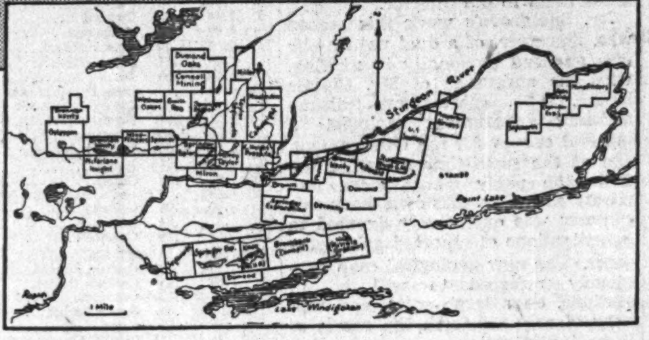
New Gold Strike and Where It Is





The above map shows where the new Sturgeon River gold strike, hailed by many as the greatest since the Yukon, is in relation to other centres and railway facilities. On the right is an approximate chart of the stakings to date, as obtainable from the Ontario Government.

Warn Against Wild-cats In Promising New Field

If Given a Chance, Sturgeon Lake Gold Area May Alter Ontario Mining Map

What is the significance of the new Sturgeon River gold rush, first reported in The Financial Post early in August?

Shorn of all the ballyhoo with which the daily press sometimes cloaks such an event, the fact remains that Canada's newest rush has reached striking proportions. Whether or not it is, as branded by optimistic old-timers, the greatest gold rush since the Yukon, cannot, of course be definitely stated until some tangible results are forthcoming.

However, enough is known of the new strike to warrant speculation on what it will mean to the Ontario mining picture. And the general consensus is that when the shouting and the tumult dies, and Sturgeon River gets down to business, Ontario's mining map will have had its face materially altered, with the centre of interest shifted from Kirkland Lake and Porcupine, westward to the north of Lake Superior, including Little Long Lac, Sturgeon River, Patricia, and as far west as Rainy River area.

But in the meantime, men interested in the area are beginning to sound a note of warning. The memory of the Red Lake rush is still fresh in the minds of mining men, if not in the mind of the public.

At the time of the Red Lake rush, it will be recalled, the public was widely victimized by wildcat operators, who capitalized on the publicity which the field was getting. Just as long as a claim was in the Red Lake area, the public would bite, hook, line and sinker. The result was that the development of this undoubtedly promising area was retarded by a once-bitten-twice-shy public.

Challenge to Sound Operators

Developments in the Sturgeon River area provide a definite challenge to big operators. Many of Canada's soundest mine operators are in this area. They, if anybody, can control the situation. The public, on the other hand, will find ample opportunity to reap any investment possibilities which this district has to offer via these sound concerns. Above all, wildcat operators, by handling the well-known tool of their profession, sensationalism, should not be allowed to deal this promising young area a body blow.

H. C. Rickaby, provincial geologist, who, with Dr. E. L. Bruce, has just paid a visit to the district, is conservatively optimistic of the new goldfield. Mr. Rickaby's examination was confined to two of the major groups of discoveries, namely, the group lying north of Windigokan Lake, including the Brooklands, Knox, and Stringer Exploration claims, and the group along the Sturgeon River, including the Agama Exp. (U.S. Smelters), Sturgeon River Gold property, (Coniagas option), and the Brennan Kenty, (Casey Contact).

Mr. Rickaby reports that the geology of the area, consisting of greenstones with bands of sediments probably infolded, intruded by diorite, and porphyry, is "quite favorable." He states that "several of the veins show good widths and lengths with favorable mineralization."

Area Impressive

While most of the information up to date as regards values is based on panning or on the presence of visible gold, it would appear that any one of the showings on the above groups of claims would rank as an important discovery. The fact that all these discoveries, along with several others in the same general area have been made in the comparatively short space of three months makes the importance of the area impressive.

Although receiving the full flood of publicity just recently, the Sturgeon area has seen quiet activity for many months. Since Christmas, it is reported, staking has been quietly going on in this district, with the result that between that time and the present, 240 square miles have been staked solid.

To date the properties attracting the most attention in this district are the Brennan-Kenty east group, on which Casey Contact have an option; Sturgeon River Gold property, under option to Coniagas, the Brookbank group, held by Connell Mining. Maloney and Edwards group, held by Karl Springer Exploration Co., the Agaura Exploration Co.'s group, held for U.S. Smelters, the two groups of claims known as the Knox groups, under option to McVittie-Graham, the McDonough property, owned by Jomac Gold Syndicate, the Oliver Severn Syndicate's group, known as the Taylor-Segsworth property, and Minefinders two groups.

Flint Sands Ltd. Formed to Operate Silica Area

In an attempt to compete in a market which has to date been entirely supplied by American sources, Flint Sands Ltd. reports that it is actively developing a large deposit of free running, high grade silica sand near St. Bruno, de Guigues, in Quebec, about two miles east of Lake Temiskaming. The company claims that its deposit has been adequately tested by test shipments to commercial users who have found the company's product satisfactory. The average imports of this product, which is largely used in steel moulding, fire cement and fire brick, filtration, sand blasting and other industrial uses, have been approximately 125,000 tons per year for the past five years.

The property in Quebec is equipped with a 100-ton mill which will be operating within the next two weeks, Evan R. Peacock, pres., has informed The Financial Post. The company has under option 210 acres on what is believed to be the only high-grade, free running silica sand deposit in eastern Canada. To develop this property a company has been organized with a capitalization of $100,000 consisting of 3,500 seven per cent preferred shares and 6,500 common shares, each class of stock having a par value of $10. Besides Mr. Peacock, officers of the company include T. M. Peacock, sec.-treas.; J. M. Hazelton, J. E. Currie and C. E. Dickinson, directors.

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NEW COAL MINE OPENED BY C.P.R. CHEERS ALBERTA

Feared Reported Exhaustion of No. 6 Would Be Serious Blow

From Our Own Correspondent

LETHBRIDGE — Lethbridge received reassuring news recently when work was commenced on a spur track to the site of a new coal mine to be opened by the natural resources department of the Canadian Pacific Railway. It is understood, although officially not confirmed at this time, that the new Galt colliery will be ready for coal season of 1935-36.

For several years now rumors have been current that No. 6 mine was about worked out and that the mine might be abandoned. This has been a disconcerting prospect and all lines of business have been cheered with the news of the new mine which ensures activity in the domestic coal field here for many years to come, as the Canadian Pacific Railway, it is stated, has seven sections of proven coal land to tap in this area.

The new mine is opposite the city to the west and will probably be known as No. 7. There will be no new village established, as far as the plans are known, as the site is actually closer to the city than is No. 6. The development, which will start immediately, will give employment to a large number of men. The shaft will be sunk some 300 ft. and some hundreds of thousands of ft. of lumber and timber will be used.

Worked in 1870

Work on the new mine marks a new period in the life of the domestic coal industry commenced here in the early '70's by a colorful pioneer, Nick Sheran, discoverer of coal in Alberta. Drifting in from Montana he saw the outcroppings of coal along the river bank and began to operate them. Sheran was digging coal when the Mounted Police came in in 1874 and hauling it by bull team to Fort Benton, Montana, head of navigation on the Missouri River.

In 1885 Sir Alexander T. Galt and associates formed the North West Coal and Navigation Co., afterwards the Alberta Railway and Irrigation Co., entered the Lethbridge field and the Galt mine interests have sunk in all six shafts, the last one started in 1906. The A. R. and I. was absorbed by the C. P. R. including the mines. An enlarging market for Lethbridge domestic coal is seen in the new move and the general stabilization of the industry.

Halliwell Gold Mines Makes Public Offering

With property consisting of 19 claims in the north central portion of Beauchatel Twp., in the Rouyn district of Quebec, Halliwell Gold Mines is currently offering 100,000 shares at 25c. per share.

The issue which is being made through Johnston & Ward, members of the Montreal Stock Exchange is to place in the treasury sufficient funds to carry out a diamond drilling programme recommended by company engineers to test the property. If this programme should confirm reported results, underground work on a shaft will be started.

Halliwell Gold Mines was incorporated on February 17, 1933, to take over the assets of the previous company, Halliwell Mines which has been inactive for some time. The property is six miles from the town of Rouyn and is of the copper-gold variety of mineral. The company has engaged the services of Andrew Walz, consulting engineer of Toronto, to make an intensive and systematic geological exploration of the entire property.

The company has an authorized capitalization of $3,000,000 in $1 par value shares of which 1,100,000 shares have been issued. Of the issued capital, 1,000,000 are held in escrow by Sun Trust Limited for the shareholders of Halliwell Mines, the predecessor company.

O'BRIEN GOLD MINE SHARES OFFERED AT $1

Nesbitt-Thomson Sponsor Issue on Well-known Property

From Our Own Correspondent

MONTREAL. — Nesbitt, Thomson & Co. are making a public offering of 1,250,000 shares of O'Brien Gold Mines at $1 a share. Capitalization of the company comprises 4,000,000 of shares, of which 3,250,000 are authorized for issuance. Of this amount M. J. O'Brien Ltd., of Ottawa, will receive 2,000,000 shares as sole consideration for the transfer to the company of the Cadillac-O'Brien mine. Upon completion of the current financing the company will have net current assets of approximately $1,000,000 to be used for further expansion and development work.

The Cadillac-O'Brien mine has produced to date over $500,000 of gold. The mine has been brought to its present stage of development by M. J. O'Brien, Ltd., and is continuing under the control and management of that organization. To date over $750,000 has been expended on the property.

The property comprises 455 acres and is located in Cadillac Township, Quebec. The mill on the property went into production in February, 1933, and up to July 14 last had produced 42,692 tons of ore, with an average gold content of .45 ounces—$15.75 per ton (at $35 gold). This production had all come from the shallow depth of 300 ft. Development work is now proceeding on the 400 ft. and 500 ft. levels. Within approximately 1,000 ft. from the main shaft there was estimated, on July 14 last, an ore reserve of 41,812 tons (including development dump) containing an average of .34 ounces—$11.90 per ton (gold at $35). This value is considered conservative. Over 8,000 tons estimated to average .437 ounces—$15.30 per ton, were on that date broken in the stopes and ready for milling.

Average operating costs up to July 14, during which time the mine was operated mainly on steam power, were $7.22 per ton milled (including development costs). The mine is now operated by hydro-electric power, supplied by Northern Quebec Power Company, a subsidiary of Canada Northern Power Corporation.

There are six known veins on the property, officials claim, but almost all development work has been done on Nos. 1 and 4 from which has come all the gold produced to date. The main property extends for 1.4 miles along the strike of the known veins which are located along the centre of the holdings.

DRAPER DOBIE & CO.
Members
THE TORONTO STOCK EXCHANGE
NORTHERN ONTARIO BLDG.
330 BAY ST. TORONTO
ADelaide 9171

Central Manitoba Output Set at 1,433.8 oz. in Aug.

Production for the month of August of 1,433.8 ounces of gold is reported for Central Manitoba Mines by William Hurst, president and Frank G. Mathers, director and secretary-treasurer. Proceeds, together with gross revenues from other sources, amounted to $50,000, officials state. During the month the mill treated a total of 4,026 tons of ore. It is reported that approximately 311 ft. of drifting and 1,768 ft. of drilling were completed during the month. Of this, 100 ft. of drifting was done on the 250 ft. level with the drift being advanced to 692 ft. west of the Growler shaft. Drifting on the 375 ft. level was advanced 143 ft. On the 460 ft. level the drifting was advanced 52 ft. to 126 ft. west of the 1,300 winze. Drifting is continuing on the 460 ft. level.

For the month of July, the company produced approximately $52,000 of bullion and showed a net profit of about $26,000 after deducting all development, milling and other costs.

Big Salmon Pack

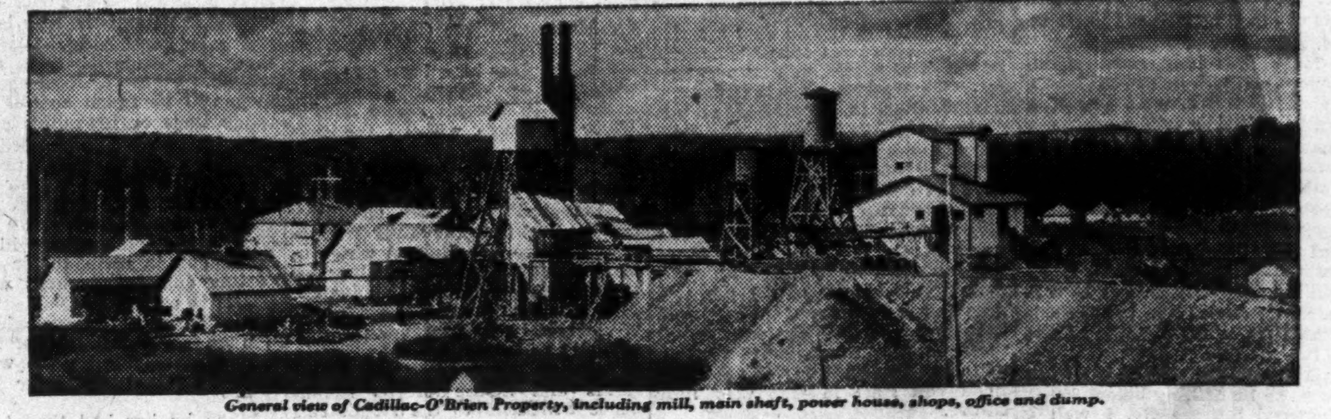
The British Columbia salmon pack to September 8 totalled 980,636 cases, exceeded in recent years only in 1930.

A Producing Gold Mine Under Competent Management

O'BRIEN GOLD MINES

(No Personal Liability) LIMITED

Owning the Cadillac-O'Brien Mine



General view of Cadillac-O'Brien Property, including mill, main shaft, power house, shops, office and dump.

OFFICERS AND DIRECTORS

President	J. AMBROSE O'BRIEN Vice-President and Managing Director, M. J. O'Brien, Limited
Vice-President	J. L. MURRAY Director, M. J. O'Brien, Limited
Director	J. G. DICKENSON General Mines Manager, M. J. O'Brien, Limited
Director	J. N. ROUGVIE Director, M. J. O'Brien, Limited
Director	A. J. NESBITT President, Canada Northern Power Corporation, Limited
General Manager	J. G. DICKENSON
Secretary-Treasurer	J. N. ROUGVIE

M. J. O'Brien, Limited, which controls and is managing O'Brien Gold Mines, Limited (No personal liability), have had a wide experience in all phases of the mining industry, including smelting and refining, and have been very successful in their mining operations over a period of years. The name of M. J. O'Brien, Limited, is well and favourably known throughout the mining world, and the experience of this organization will be of very substantial benefit in the future development and expansion of O'Brien Gold Mines, Limited (No personal liability).

CAPITALIZATION

Shares of $1 par value

Authorized	4,000,000
To be issued	3,250,000
Unissued	750,000

According to the report of Clarkson, McDonald, Currie & Co., Chartered Accountants, after giving effect to this financing the Company will have net current assets of approximately $1,000,000 available to be used for further development work, additions to the mill, construction of other buildings, for the acquisition of, or an interest in, other properties, and other corporate purposes. M. J. O'Brien, Limited, will receive 2,000,000 shares of the stock of the O'Brien Gold Mines, Limited (No personal liability), as sole consideration for the transfer of the Cadillac-O'Brien Mine to the new Company.

The following are extracts from letters of J. Ambrose O'Brien, President, and J. G. Dickenson, General Manager:

PROPERTY. The Company owns 10 contiguous claims in one solid block of approximately 455 acres, comprising the main property known as Cadillac-O'Brien Mine. This property is located in Cadillac Township, Province of Quebec, approximately 25 miles east of Noranda. A vertical three-compartment shaft has been sunk to a depth of 500 feet, and five levels established at 100-foot intervals. The mill went into production in February, 1933, and has been in successful operation since that time. There are six known veins, but almost all development work has been done on Nos. 1 and 4, from which has come all the gold produced to date.

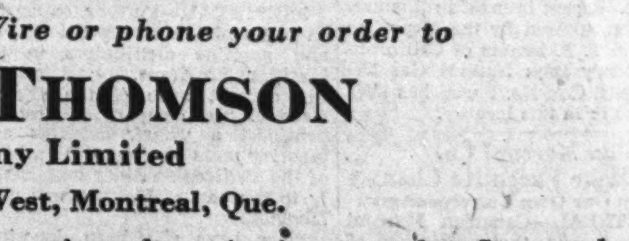
MANAGEMENT. The Cadillac-O'Brien Mine has been brought to its present stage of development by M. J. O'Brien, Limited, Ottawa, and is continuing under the control and management of that organization. To date over $750,000 has been expended on the property.

PRODUCTION AND RESERVES. The mill is handling an average of approximately 80 tons of ore per day. All the ore so far milled has come entirely from the shallow depth of 300 ft. and to this depth only. To July 14th, 1934, there has been produced from the mine, as determined and checked by actual milling results, 42,692 tons of ore with an average gold content of .45 ozs.—$15.75 per ton (at $35.00 gold). Within approximately 1,000 feet from the main shaft there was then estimated an ore reserve of 41,812 tons (including development dump) containing an average of .34 ozs.—$11.90 per ton (gold at $35.00). This value is being continually checked against actual mill results and is considered conservative. Over 8,000 tons estimated to average .437 ozs.—$15.30 per ton (gold at $35.00) were on that date broken in the stopes and ready for milling.

MILLING AND COSTS. An average of approximately 70% of the gold contained in the ore is now being recovered by the comparatively cheap process of amalgamation, and the remainder in the form of a concentrate which will shortly be cyanided and the gold recovered therefrom in an addition to the milling plant, which it is planned to erect in the near future. A combined extraction in excess of 90% is anticipated. Average operating costs in 1934 up to July 14, during which time the mine was operated mainly on steam power, were $7.22 per ton milled (including development costs). An ample and satisfactory supply of electric power has been obtained since July, 1934, when transmission lines of the Northern Quebec Power Company were extended to the property.

DEVELOPMENT. Below the 300-foot level the main shaft has recently been sunk to 529 feet, and stations and levels opened at 400 and 500 feet. Nos. 1 and 4 veins have recently been crosscut and drifting is proceeding along them with satisfactory results. Diamond drilling to the extent of approximately 4,300 feet has already been done.

GEOLOGY. J. G. Dickenson, Mining Engineer and General Mines Manager of M. J. O'Brien, Limited, states: "I regard the geological conditions as highly favourable to the occurrence of large ore bodies and to the continuance of known ore deposits to satisfactory depths. The main property extends for 1.4 miles along the strike of the known veins, which are located along the centre of the holdings and are amply protected as to strike and dip."



We recommend these shares when, as and if issued as an attractive speculation in a producing mine operated by an experienced and successful mining organization.

It is intended to make application for the listing of these shares on the Mining Division of the Toronto Stock Exchange and on the Montreal Curb Market.

Price: $1.00 per share

Prospectus on request . . . Wire or phone your order to

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